Austria .. Sch. 18	Indonesia .. Rp 2500	Portugal .. Esc 80
Bahrain .. Din 0.650	Italy .. L 1300	S. Arabia .. Rls 6.00
Belgium .. Br 38	Japan .. Y550	Singapore .. S$ 4.10
Canada .. C$2.00	Jordan .. Fils 500	Spain .. Pta 110
Cyprus .. C£0.60	Kuwait .. Fils 500	Sri Lanka .. Rup 30
Denmark .. Dkr 7.25	Lebanon .. [illegible]	Sweden .. Skr 6.50
Egypt .. E£1.00	Luxembourg .. Lfr 38	Switzerland .. SFr 2.20
Finland .. Fmk 6.00	Malaysia .. Rin 4.25	Taiwan .. NT $35
France .. Fr. 6.00	Mexico .. Pes. 300	Tunisia .. Din 0.600
Germany .. DM 2.20	Morocco .. Dh 6.60	Turkey .. L 210
Greece .. Dr 70	Netherlands .. Fl 2.50	U.A.E. .. Dh 6.50
Hong Kong .. HK$ 12	Norway .. Kr. 5.00	U.S.A. .. $1.50
India .. Rup. 15	Philippines .. Pes. 20	

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FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,574 — Thursday March 14 1985 — D 8523 B

U.S. holds trumps in relations with Canada, Page 26

World news

Iraqis launch counter offensive

Iraq launched a "three-pronged counter-attack" to drive out Iranian forces from territory they seized from Iraq in the latest ground attack of the Gulf War.

Baghdad acknowledged the seriousness of the Iranian attack by sending Gen Adnan Kherullah, the Minister of Defence, to the front to direct operations. A military communiqué from Baghdad said the offensive had been halted.

Iran is claiming to have killed 700 Iraqi troops, taken 160 prisoners and destroyed 35 tanks. Iraq claimed that thousands of Iranian corpses lay in the marshlands of the southern front. Page 4

U.S.-Soviet summit

U.S. Secretary of State George Shultz is expected to report to President Ronald Reagan today on prospects for a U.S.-Soviet summit meeting with Mikhail Gorbachev, the new Soviet leader. Page 2

Pakistan missiles

The U.S. intends to supply new air-to-air missiles to Pakistan to improve its air defence against incursions from Afghanistan. Page 4

Setback for Front

The National Front, France's extreme right wing party, failed to draw the parliamentary opposition into an alliance against the left in the second round of France's local elections on Sunday. Page 2

Kampuchea pledge

Kampuchean guerrilla leaders said they planned to launch co-ordinated attacks with Thai forces on either side of the Thai-Kampuchean border to drive out Vietnamese troops from Thailand.

Ambrosiano verdict

Roberto Rosone, general manager and deputy chairman of the failed Banco Ambrosiano, was sentenced in Milan to a six year suspended gaol sentence for having been involved in the illegal purchase of shares of the bank. Ten other former executives of the bank were also sentenced. Page 2

Argentine blast

Seven people died and 11 are missing after an explosion wrecked a grain elevator in the Argentine port of Bahia Blanca.

Iceland strike ends

The last of 5,000 striking fishermen set sail for their fishing banks, ending a dispute which seriously jeopardised Iceland's economy.

Red Army trial

Two members of the outlawed Red Army Faction were sentenced by the Düsseldorf High Court to life imprisonment for their part in a campaign of terror which hit West Germany in the late 1970s.

S. Africa worried

The South African Government is worried by Tuesday's unanimous UN Security Council vote condemning the country's domestic policies. Page 4

Czech police raid

Czechoslovak police detained 48 people in a raid on a private home in Prague and were still holding 11, emigre sources in Vienna said.

Prisoners killed

Eleven prisoners were shot dead while trying to escape from a prison in the Brazilian town of Sorocaba.

Aid food 'sold'

Hundreds of tonnes of EEC food aid to Ethiopia are being sold to traders by Ethiopian soldiers, three members of the European Parliament said.

Business summary

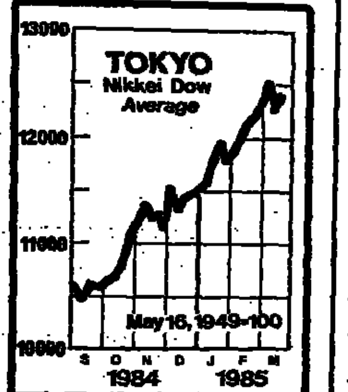
U.S. retail sales increase by 1.4%

RETAIL sales in the U.S. jumped 1.4 per cent from their January level, an increase which surprised Wall Street traders who had been expecting a much smaller rise. Bond prices fell sharply in the wake of the Commerce Department announcement. Page 3

WALL STREET: At the close, the Dow Jones industrial average was down 10.05 at 1,261.70. Section III

LONDON equities lost strength after the BNOC break-up and gilts shed up to ⅜. The FT Ordinary index closed 3 points down at 987.4. Section III

TOKYO shares made big gains, with the Nikkei-Dow market average rising 122.39, the largest daily rise this year, to 12,419.26. Section III



STERLING fell 30 points in London to $1.086. It was unchanged at DM 3.6450; rose to SwFr 3.0975 (SwFr 3.0950); but fell to FFr 11.1250 (FFr 11.13) and Y282.50 (Y283.25). The pound's exchange rate index fell 0.2 to 71.6. In New York it closed at $1.0845. Page 49

DOLLAR was firmer in London rising to DM 3.3580 (DM 3.3450); FFr 10.2550 (FFr 10.2250); SwFr 2.8485 (SwFr 2.8345), but fell to Y260.15 (Y260.20) On Bank of England figures the dollar's index rose to 154.2 from 153.7. It closed in New York at DM 3.3650; SwFr 2.8635; FFr 10.2825 and Y260.20. Page 49

GOLD rose $5.50 on the London bullion market to close at $293.50. It also rose in Zurich to $291.75 from $288.45. In New York, the Comex April settlement was $291.90. Page 48

MORE than 80 members of both houses of the U.S. Congress have backed a Bill to be introduced on March 19 to cut imports of textiles and clothes. Page 5

SOUTH KOREAN Government has scaled back plans to expand its nuclear energy programme. It will build two of an initially-planned four new reactors. Page 5

ITALY'S newly created unit trusts have attracted L3,747bn ($1.8bn) in investment funds since they began operating last summer. Page 31

JAPAN Air Lines, the government affiliated international airline, plans to build a $66.7m hotel in Hong Kong in a joint venture with Japanese and Chinese investors. Page 30

F.W. WOOLWORTH, the U.S. stores group, boosted earnings by 20 per cent to $141m last year, against $118m. Page 29

STANDARD Oil Company (Indiana), the second most profitable U.S. oil company, plans to seek share holder approval for measures to insulate it from unwelcome takeovers. Page 29

PROMET, the Malaysian-Singapore marine engineering and property group, recorded a 41 per cent fall in annual pre-tax earnings to 68m ringgit ($27m). Page 30

COASTAL Corporation, the Houston energy group renowned for its hostile takeover bids, is close to finalising a "friendly" $2.4bn takeover of its biggest rival, Detroit-based American Natural Resources.

BORREGAARD, the diversified Nowegian industrial group is lifting its dividend after a 48 per cent jump in pre-tax profits for 1984. Page 31

Christian 'uprising' threatens Lebanese stability

THE AUTHORITY of President Amin Gemayel and the already fragile political stability of the Lebanese state has been seriously undermined by the decision yesterday of leaders of the Christian Lebanese forces to declare independence from Mr Gemayel's Phalange Party, write Richard Johns in Beirut and Stewart Dalby in London.

The "uprising," to use the word in the announcement declaring the secession, is led by Mr Samir Geagea, a hardline pro-Israeli senior commander of the Lebanese Forces.

The breakaway by the Phalange's military arm was prompted, according to a spokesman for the Lebanese Forces in East Beirut, by the growing influence of Syria in Lebanese politics.

The spokesman cited recent efforts by President Gemayel – whose father the late Mr Pierre Gemayel founded the Phalange Party in the 1930s – to collaborate more closely with Syria in bringing about reconciliation between the warring Lebanese factions. This is aimed at accommodating the Shia Moslems who are fighting the Israelis in the south of the country as they attempt to withdraw from Lebanon.

The outcome of the power struggle in the Maronite Christian camp, and especially the number of troops Mr Geagea has managed to prise away from the main Lebanese Forces group remained unclear, as political, religious and military leaders held separate talks.

President Gemayel, who cancelled his visit to Moscow for the funeral of Mr Konstantin Chernenko, met with Christian political leaders at the presidential palace at Baabda, to mend the rift within the Christian ranks.

The flashpoint causing the crisis appears to be the attendance at the weekend cabinet meetings of Mr Abdel Halim Khaddam, the Syrian vice-president.

The potential for serious splits, however, has been evident for some time. The Lebanese Forces, sometime known as the Phalange, like the sister political party was build by President Gemayel's late brother Mr Bashir Gemayel.

Having made it the dominant militia among the rival Christian groups during the late 1970s, Mr Bashir Gemayel brought the Lebanese Forces to the point in the early 1980s where, at 25,000 strong, they were the most powerful force in the country, apart from the Palestinians. The notionally non-sectarian Lebanese army meanwhile, became virtually impotent.

When the Israelis invaded in 1982, the hardline elements in the Lebanese Forces hoped the Christians, although no longer the majority community, would reassert their former hegemony.

After Mr Bashir Gemayel was assassinated in September 1982, however, Mr Amin Gemayel who succeeded his younger brother as President, never managed to exert the same control over the Lebanese Forces.

Although Syria has on occasions interfered in Lebanese affairs, notably in the civil war of 1975 on the Christian side, its growing dominance since the withdrawal of the U.S. marines and the Israelis has rankled with the hardline Maronites.

President Amin Gemayel's increasing tendency to sympathise with the Shia Moslems against the Israelis has further alienated the hardliners.

● Israeli military aircraft attacked a Palestinian base in Eastern Lebanon yesterday while Israel's troops came under fresh guerrilla attacks in the south of the country. Mr Yitzhak Rabin, the Defence Minister, told the Knesset (parliament) that Israel would use all means at its disposal to prevent the guerrilla harassment of its troops.

Editorial comment, Page 26

Britain to abolish state oil group

BY IAN HARGREAVES AND DOMINIC LAWSON IN LONDON

THE BRITISH National Oil Corporation (BNOC), which trades the bulk of Britain's North Sea oil and sets the country's official crude oil prices, is to be abolished.

Mr Alick Buchanan-Smith, the UK Energy Minister, told parliament yesterday that BNOC had outlived its usefulness as an instrument of government policy in helping to stabilise world oil prices.

"There has been a major change in the structure of the oil market away from term contracts and towards spot and similar short-term transactions. This trend is unlikely to be reversed in the near future," he said.

"In these circumstances BNOC could avoid the risk of losses only by linking its prices for participation oil closely and continously to movements in the spot market. Such a system would mean that BNOC could no longer contribute to stability in the market.

"This shifts the balance of advantage decisively against the retention of BNOC in its present form. I see no advantage in retaining a public sector body to operate on that basis."

BNOC, since losing its oil production interests in 1982 with the flotation of Britoil, has acted mainly as a trader in the North Sea. It has the right under participation agreements with oil companies to buy 51 per cent of North Sea production and also trades oil paid to the Government as royalty – in all buying and selling about 1.3m barrels of oil a day.

It has also traditionally set quarterly official prices, but this system has broken down in the last six months.

The planned public offer of the UK Government's remaining 48.43 per cent stake in British Aerospace, together with the company's own planned share issue, will take place early in May. The Government's share sale, covering its 96.85m shares, is expected to raise more than £360m ($388m). The shares will be marketed on a scale exceeded only by last year's privatisation of British Telecom. Details, Page 28.

Since January BNOC has had only an official price for its payments to suppliers. It has sold its oil on the spot market at a loss – requiring government grants of £65m since the middle of last year.

Although it has been known for three months that the Government has been reviewing the future of BNOC, the announcement yesterday took oil traders by surprise.

Initially, they marked the spot price of Brent blend down by about 40 cents a barrel, but by the end of the day in London prices were slightly higher – at $27.75 for April delivery, compared with the official BNOC price of $28.65.

Shares of oil companies which have benefited from BNOC paying a premium price for North Sea production fell sharply. Lasmo was down 13p to 332p, British Petroleum 10p to 525p and Tricentrol 10p to 210p.

Several oil companies, even some of those which have gained most from BNOC's prices, expressed satisfaction, however, that the Government had finally acted to remove what they see as a distortion in world oil markets and one which performs a trading role they would prefer to carry out themselves.

One senior oil industry executive said last night: "BNOC's official price had become a farce, and it was unreal to suppose that it was any longer of real significance. This does not change any of the fundamental realities of the oil market, as they have been evident over the past four to five months."

There was no immediate official reaction from the Organisation of Petroleum Exporting Countries (Opec), which before Christmas was threatening Britain with a price war if it undermined Opec's official pricing structure, but those close to Opec said the move would provoke deep shock.

"Opec won't like it. How can Nigeria set a price if the North Sea oil price is not fixed but varies from hour to hour?" said Dr Robert Mabro, an Oxford-based academic with close ties to Opec.

Continued on Page 28

Background, Page 11; Editorial comment, Page 26; Lex, Page 28; BP unit hit, Page 31; Spot oil prices, Page 48

Peugeot to sign van production deal with China

BY PAUL BETTS IN PARIS

PEUGEOT, the private French car group, will tomorrow sign a major industrial joint venture agreement with China to produce in Canton Peugeot pick-up vans and station wagons.

The deal involves initial investments of FFr 600m ($58.2m) to convert over the next two years a bus and heavy truck manufacturing plant at Huang Pu, near Canton, to produce 15,000 Peugeot 504 pick-up vans and station wagons a year by 1989.

Before leaving Paris to sign the deal M Jean Boillot, the president of Automobiles Peugeot, said that the Chinese were keen to negotiate quickly a second contract to increase production to between 30,000–35,000 vehicles a year. A third phase to increase production volume to about 50,000 vehicles a year is also being considered.

Automobiles Peugeot is the private French group's subsidiary which embraces the Peugeot and Talbot marques. The Peugeot group also owns Citroën.

The contract is the first major automobile deal of its kind between a French company and China. Peugeot is also the second major European car company to negotiate successfully a significant industrial venture to manufacture cars and light vehicles in China.

Volkswagen of West Germany signed with China a DM 500m joint venture last October to manufacture in Shanghai 20,000 Santana cars a year by 1989.

The French deal involves a joint venture called Guangzhou Peugeot Automobiles Company (GPAC) with a capital of FFr 240m. The shareholders include Guangzhou Automobile Manufactory with 46 per cent, the China International Trust and Investment Corporation with 28 per cent, Automobiles Peugeot with 22 per cent and the French state-owned Banque Nationale de Paris (BNP) with 4 per cent.

The additional FFr 360m in funds to cover the project's FFr 600m cost will be provided in the form of long-term loans and supplier credits from the Bank of China, BNP and a third so far unnamed foreign bank.

M Boillot said Peugeot would not be advancing cash to the venture but would contribute licences, equipment, engineering and know-how to pay for its 22 per cent share of the capital.

During the pre-production phase, while the Chinese plant is converted, Peugeot will supply 9,000 pick-up vans and 504 station wagons in kit-form for assembly in China. The French company has already signed a contract to supply 1,000 vehicles in kits and is expected to sign on Friday a contract for a second order for 8,000 kits. These orders are each worth FFr 40m and FFr 320m respectively.

Peugeot is already supplying China with 600 Peugeot 505 cars and 3,500 Talbot Horizons in a separate deal signed last year.

M Boillot said Peugeot had been negotiating with China since 1979. He said under the terms of the new agreement all the vehicles produced by the joint venture will carry the Peugeot marque. From 1990, China will be able to export part of the new Peugeot production in Canton, but with a limit of 5,000 vehicles a year.

Hong Kong-China hotel deal, Page 30

Gorbachev meets leaders after funeral

By Patrick Cockburn in Moscow

MR MIKHAIL GORBACHEV, the new Soviet leader, yesterday led his nation in mourning his dead predecessor, Konstantin Chernenko and then plunged into a hectic round of meetings with world leaders attending the funeral.

By the end of the day, the 54-year-old Communist Party General Secretary had met East European leaders in a joint session as well as had bilateral contacts with Western statesmen including U.S. Vice-President George Bush, France's President François Mitterrand and Britain's Prime Minister Mrs Margaret Thatcher.

Mr Bush gave no indication how Mr Gorbachev had received the summit invitation he delivered from President Reagan. He expressed hope however of improved relations.

"If there ever was a time when we can move forwards with progress in the last few years, then I would say this is a good time," he said.

Despite the pressure of events, Mr Gorbachev spent an hour with Mrs Thatcher who, according to her own account, devoted much of the conversation to the star wars space weapons issue. The British Prime Minister emphasised that if the new weaponry was deployed without agreement by either the U.S. or the Soviet Union, it would be in breach of the 1972 anti-ballistic missiles agreement.

"I stressed again that deployment would have to be negotiated," Mrs Thatcher said in Moscow last night.

The funeral in Red Square took place with a minimum of security arrangements, as crowds held aloft black and white pictures of Mr Chernenko as they listened to funeral orations by Mr Gorbachev and other party leaders.

There were salvoes of artillery as the lid was placed on the coffin, then it was lowered into a grave beneath the red brick wall of the Kremlin.

Outside Red Square Muscovites seemed surprised by the lack of formality.

The Kremlin will be encouraged that the principal West European leaders attended the funeral. Soviet leaders see West European opinion as an important method of influencing U.S. policy.

It is not expected that the election of Mr Gorbachev as Soviet leader will lead to any significant change in Soviet foreign policy though it will be easier for Moscow to express its views.

Gorbachev holds court; summit idea gains momentum, Page 2

Polish bank loses Swiss bond battle

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

BANK HANDLOWY, Poland's foreign trade bank, has lost a legal battle in Switzerland in which it was attempting to withold principal repayments on a SwFr 41m ($14.47m) private placement of the bank's bonds overdue since last May.

This follows a ruling by a debtors' court in the Canton of Berne ordering the bank's assets in Switzerland to be attached so that creditors could be repaid in full.

Bank Handlowy declined to pay a SwFr 12.3m instalment of principal on the bonds when it fell due last May because it argued that to do so would breach rescheduling agreements it had reached with more than 500 banks worldwide.

The affair has highlighted the impossibility of meting out fair treatment to all creditors in reschedulings. The Swiss court's ruling confirms yet again that bonds cannot be rescheduled compulsorily, and this gives banks which have advanced money through the bond market an edge over those whose lending took a conventional credit route.

The rescheduling agreements stipulate that Polish bonds held by banks and other financial institutions should not be redeemed but rescheduled alongside existing bank credits.

But lead managers of the Swiss issue started legal action in Berne to recover their money because they argued that such a differentiation between bank and other investors in the Polish bonds was contrary to the terms and conditions of the original placement.

None of the banks involved in the action was prepared to comment yesterday, and the board of Bank Handlowy itself has yet formally to decide how to respond to the verdict which is in favour of only three of the lead managers involved.

Bankers hope, however, that the court ruling could pave the way for an arrangement allowing all bank holders of the paper to be repaid without further legal action.

Following pressure from a noteholders group led by Kredietbank (Suisse) and Soditic, the Geneva investment house, the Polish bank did agree last autumn to repay non-bank investors who could be identified. This resulted in about half the late payment being met.

International Capital Markets, Page 50

United Biscuits seeks £98m in rights issue

By Alison Hogan in London

UNITED Biscuits, the British food group, has called on shareholders for £98.2m ($106m) through a one-for-five rights issue, in part to finance the fierce "cookie war" which has broken out in the U.S.

The group spent around £50m on its U.S. subsidiary, Keebler, last year and expects to spend a further £30m in 1985, much of it aimed at dominating the fast growing market for soft cookies – confections with a hard crust and soft centre.

The heavy promotional expenditure reduced Keebler's trading profit by 23 per cent in dollar terms the first downturn in more than a decade, according to Sir Hector Laing, chairman of United Biscuits.

"Soft Batch," Keebler's new range of dual textured cookies, has achieved the number one position in this fast-growing segment of a traditionally staid market.

Sir Hector said United Biscuits intends to sustain the battle on two fronts: "For cash at the bottom line and for market share. Keebler's results in 1985 will depend on the intensity and duration of the cookie war," he said.

Lex, Page 28; results, Page 36

CONTENTS

Summit idea gathers momentum in the White House

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

MR GEORGE SHULTZ, the U.S. Secretary of State, is expected to report ot President Ronald Reagan on prospects for a summit meeting with Mr Mikhail Gorbachev, the new Soviet leader, White House officials said yesterday.

The mood in the White House was to wait and see how Mr Schultz and Vice-President George Bush had "sized up" Mr Gorbachev's reaction to Mr Reagan's invitation to a meting in the U.S. "at a mutually convenient time," the official said. Mr Bush and Mr Schultz were in Moscow yesterday to attend President Konstantin Chernenko's funeral.

While Washington does not want to appear to be rushing headlong into a summit, there is now much greater momentum behind the idea than at any stage during Mr Reagan's first four years in office.

For most of his first term, relations with Moscow remained deeply frozen and Mr Reagan did not abandon his "evil empire" rhetoric until just over a year ago. Mr Reagan repeatedly said that he was ready for a summit, but the conditions—that it should be well prepared and achieve concrete results—never looked like being fulfilled.

Now, the White House is relaxing those conditions and suggesting that a number of recent developments have contributed to a significant improvement in superpower relations. Most notably, they include the opening of the Geneva arms talks and the arrival in the Kremlin of a younger and vigorous leader who looks as if he will be in power for much longer than his predecessors and is a man to do business with.

Mr Reagan frequently complained during his first term that the succession of elderly, ailing leaders in Moscow made it difficult for him to conduct relations at the summit level. He was sensitive, however, to the criticism of Democrats that he was the first U.S. President in half a century not to have met his Soviet counterpart.

According to one White House official, Mr Reagan is now "beginning to think about his legacy," and would like to leave office with an arms control agreement. In the past six months, he has broken the ice with Mr Andrei Gromyko, the Soviet Foreign Minister, and more recently with Mr Vladimir Shcherbitsky, a senior politburo member, at meetings in the White House.

The Persident has always genuinely believed that personal contacts with Soviet leaders could reduce tension if it were possible to sit down and talk openly and frely. While prepared to be friendly, however, he has made it clear that he has not changed the deeply held convictions about the Soviet Union that lay behind his "evil empire" rhetoric.

In seeking a summit, the White House said yesterday. "It's not that our position has changed, it's that the nature of their leadership has changed."

Gorbachev holds court to world leaders amid Tsarist splendours

DOZENS OF leaders from East, West and the non-aligned world greeted Mr Mikhail Gorbachev, the Soviet Union's new leader, yesterday at an hour-long ceremony in the Kremlin, Reuter reports from Moscow.

A relaxed and self-assured Mr Gorbachev, stood beneath the chandeliers of the Tsarist St George's Hall to shake hands and exchange words with presidents, premiers, party chiefs and other dignitaries after the burial of President Konstantin Chernenko.

For many of the Western leaders it was their first meeting with the man who is seen as offering a new challenge in relations with the Soviet Union after years of elderly and physically infirm leadership.

Enacting a ritual seen for the third time since 1983, Mr Gorbachev nodded a brief greeting to his country's East European allies before they filed past a black-draped portrait of the late president.

He paused longer with the Westerners, who included the leaders of France, Britain, West Germany and Japan as well as U.S. Vice President George Bush. Some of them had shuffled forward in line for an hour in the 100-yards long hall.

The warmest greeting was reserved for Prime Minister Rajiv Gandhi of India and Li Peng, the Chinese Vice-Premier. The Chinese and Indian delegations were whisked ahead of the line by Kremlin aides and stood for up to a minute in conversation with Mr Gorbachev and Mr Andrei Gromyko, the Foreign Minister.

Mr Gorbachev appeared at his sternest shaking hands with leaders of countries whose relations with Moscow are less than cordial, among them President Zia Ul-Haq of Pakistan and Mrs Imelda Marcos, wife of the Philippines President.

Like last year, the most theatrical appearance was made by Mr Yassir Arafat, leader of the Palestine Liberation Organisation. He held Mr Gorbachev warmly by the arm and kissed Mr Gromyko and Prime Minister Nikolai Tikhonov on both cheeks, the only visitor to do so.

Mr Gorbachev spent little time in conversation with Western non-government political leaders, with the exception of Mr Neil Kinnock, leader of the British Labour Party.

Mr Kinnock accompanied Prime Minister Margaret Thatcher and the other two opposition leaders, Social Democrat David Owen and Liberal leader David Steel. They all met Mr Gorbachev during a visit to London last December,

Mrs Margaret Thatcher and President Francois Mitterrand (far right) amid the serried ranks of world leaders attending the funeral in Moscow yesterday of President Konstantin Chernenko

Ministers will try to end fighter deadlock

By David Marsh in Paris

DEFENCE MINISTERS from five European countries are to meet in Rome, probably in May, to try to resolve important differences—primarily betwen Britain and France—over development of a joint jet fighter for the 1990s.

Defence procurement chiefs from the five countries, which also include West Germany, Italy and Spain, met here on Tuesday without breaking a deadlock over technological leadership of the project. France has put in a strong bid to play a preponderant role.

Other divergences remain about technical specifications for the aircraft and the choice of engine, according to Franch defence minstry officials yesterday.

The five nations agreed last October on basic specifications for the Eurofighter. The project, which could lead to initial orders of around 1,000 aircraft to come into service around 1995, and worth an estimated $15bn, has the potential to become Europe's most important joint arms development programme.

However, agreement on details has been bedevilled above all by differences between Britain and France about overall design leadership and work-sharing.

British officials left Tuesday's meeting openly pessimistic, saying the impasse could be broken only by an effort of political will at ministerial level.

French officials on the other hand said differences at this stage of a joint development programme were normal. "I wouldn't want to be pessimistic. Each country is simply trying to defend its own interests," one French official involved in the talks said yesterday.

Dassault - Breguet, the French state-controlled aircraft manufacturer, has been holding out uncompromisingly for a 46 per cent stake and overall technological leadership—a negotiating position which the company claims is now shared by M Charles Hernu, France's Defence Minister.

The French Defence Ministry says its stand is less tough and that it is holding out for a "balanced" sharing of design and production responsibilities.

Britain believes, however, that the French stance boils down to asking for a dominant role for Dassault—based on that company's proven competence in making the delta-winged Mirage fighters.

This would leave British Aerospace, which has put forward its own design for the fighter, with a subservient position.

Surge in Italian aid for famine victims

By James Buxton in Rome

ITALY HAS become, almost literally overnight, one of the most bountiful countries in the world. Early this month Parliament passed a law which virtually obliges the Government to spend L1,900bn ($900m) on famine relief within 18 months.

With drought raging in Ethiopia and in several countries of the Sahel belt of Africa, and authoritative voices talking of unprecedented natural calamities now unfolding, the Italian Parliament's move could hardly have come at a better time.

Yet the scale of what Italy is intending to do, and the very short time it is giving itself to do it, have caused scepticism among other aid donors, and barely-concealed anxiety in some Italian Government circles that it will prove impossible either to spend the money effectively or to prevent some of it from falling into the wrong hands.

For years Italy was one of the smallest aid donors in the OECD. With only three former colonies—Somalia, Libya and Ethiopia—it had few obvious outlets for aid and anyway had to spend billions of dollars developing the backward south of its own country. In 1979 Italy gave only 0.07 per cent of its gross domestic product in aid, compared with the OECD average of 0.34 per cent. Charities like Oxfam or Christian Aid barely exist in Italy.

Worst affected

In the late 1970s, however, a popular movement grew which called for a more active Italian role in the Third World. One strand came from the left-wing Radical Party, but the movement—which is sometimes disparagingly called "Terzomondismo" or Third Worldism—also found strong support in parts of the centrist Christian Democrat Party.

The result was the Co-operation Department, set up in 1979 at the Ministry of Foreign Affairs and awarded rapidly rising sums of money. Between 1981 and 1983 the department's allocation totalled L4,700bn, while last year it was L2,500bn. This year it will be L3,500bn. In terms of disbursements, Italy is already spending more than 0.30 per cent of its GDP on aid.

The Co-operation Department has started projects in Africa, Asia and elsewhere, but its biggest aid recipients are Somalia and Mozambique. Italy's aim has been to make the most of being a late arrival on the aid scene by avoiding the mistakes of others, such as large "prestige" projects.

But the Co-operation Department's work, inevitably somewhat unspectacular, has not been enough for the aid movement. For the past three years it has pressed for more dramatic and, it argues, more effective action. No doubt in part shocked by the affluence and waste of the rich Italian cities, the movement wanted Italy to make a sudden injection of food aid into some undefined part of Africa to transform people's lives.

The Bill which was approved by Parliament 10 days ago was originally sponsored both by Sig Marco Panella, leader of the Radical Party and Sig Flaminio Piccoli, chairman of the Christian Democrat Party. In its final form, it represents a compromise with the critics of food aid.

Strong support

The Bill takes L1,900bn from the existing aid budget of this year and next year, and dedicates it to a special intervention fund for the areas of the world worst affected by famine and drought. The fund will be freed of many bureaucratic procedures and will be under the control of a junior Minister, yet to be appointed. It will provide a mixture of food aid and development assistance, and will be able to operate both bilaterally and through multilateral agencies.

Exactly where and how it will do this is still undecided, though Africa is obviously the destination. The Foreign Ministry points, as an example of fast intervention, to the Italian relief effort in Ethiopia, where about L100bn is being spent in an emergency programme that begun only last autumn.

This consists of a mixture of emergency food supplies, water drilling for the relief camps, medical supplies and backing for UN programmes. Italy is also gaining experience in the Sahel region, where it is planning to spend $500m in a number of countries, notably Mali, over five to seven years.

Yet the doubts remain. Normally aid donors, while maintaining a generous attitude, do not indicate how much money they are prepared to spend on emergency and semi-emergency aid in a given period: they respond to such needs as they arise. Italy, on the other hand, is going to be in the position of looking for outlets for its munificence. The critics say that this is a recipe for waste or worse. The aid movement believes this is what charity is all about.

Le Pen withdraws his threat

By David Housego in Paris

FRANCE'S extreme right-wing National Front has failed to draw the parliamentary opposition into an alliance against the Left in the second round of local elections on Sunday.

M Le Pen had earlier threatened to split the opposition even if this meant a left-wing victory because the opposition had formally declined any pact with him.

Yesterday, however, he said that he would withdraw all his candidates in cantons where their competing with the parliamentary opposition could result in a Socialist or Communist winning.

The National Front will thus be putting up 54 candidates on Sunday compared with the 130 or so that M Le Pen claims would have been eligible to stand as scoring more than 10 per cent of the vote last Sunday.

M Jacques Chirac, the leader of the neo-Gaullist RPR has been particularly forthright in saying that oposition candidates will not stand down in the second round to allow Front candidates to be elected.

He is aware that this position is bound to lose the Right some cantons and possibly the control of some conseils generaux that run France's Departments.

But, in ostracising M Le Pen, far more than anybody had imagined, M Chirac hopes to win more support in the centre where the decisive political battle of the parliamentary elections will be fought next year.

At the same time he is rubbing home in his statements that it is President Francois Mitterrand who is encouraging the expansion of the National Front by bring in proportional representation.

Me Le Pen tacitly recognised yesterday that Front supporters would not follow him in dividing the opposition in a way that would let in the Left. His party's chances are thus confined to the 22 cantons where the Front candidate obtained the largest share of right-wing votes last Sunday.

Ambrosiano executives convicted

By Alan Friedman in Milan

SIG ROBERTO ROSONE, general manager and deputy chairman of the failed Banco Ambrosiano and a key lieutenant of the late Sig Roberto Calvi, was yesterday convicted, along with 10 other former executives, of involvement in the illegal purchase of shares of the bank.

Sig Rosone, who was shot in the legs by a prominent Rome gangster in 1982, was sentenced to a six-year suspended jail sentence during which time he will have to remain in Italy.

He has also been banned from working in any state company for the rest of his life and from working in the private sector for the next 10 years.

The convictions yesterday, which included Sig Carlo Olgiati, another former deputy chairman of the Calvi bank, are the first in judicial proceedings related to the 1982 collapse of Banco Ambrosiano. When the bank failed a total of $1.3bn of funds was missing.

Sig Rosone and his colleagues were convicted of having participated in a scheme under which top Ambrosiano officials paid L70bn for 1.1m shares in Banco Ambrosiano which were already held by the bank.

Some of these shares were "parked" for a period in a company controlled by the late Sir Carlo Pesenti, the Catholic financier who was Ambrosiano's largest single shareholder. He died last autumn only hours before he was due to stand trial in Milan on charges related to the Ambrosiano failure.

Sig Rosone, who is 56, spent his entire career at Banco Ambrosiano, mostly on the domestic banking side. Some time before Sig Calvi was found dead beneath Blackfriars Bridge in the City of London, Sig Rosone attempted to replace the chairman on a temporary basis. The plan never came to fruition.

In April 1982, as the knot

QUENTIN PEEL INTERVIEWS THE INTERNAL MARKET COMMISSIONER

Cockfield takes aim at tax barriers to trade

EEC LEADERS must agree to a strict timetable for the removal of tax barriers and the introduction of common rates of value added tax and excise duties by 1992, Lord Cockfield, the Commissioner responsible for the internal market, said yesterday.

Scrapping the member states' plethora of indirect tax rates would be the most important single step towards achieving a genuine common market throughout the Community by that date, he said in an interview.

An agenda, including a detailed timetable for completing the internal market, will be presented for approval to the EEC summit in June. The move is likely to cause real political problems in many states, by requiring them to abandon concessionary tax rates on a variety of products, including items in Britain and Ireland which are zero-rated for VAT.

Britain is resisting Commission efforts to remove its zero-rating on goods and services such as property development, newspaper advertising, and fuel, power, water and sewerage services to industry.

Lord Cockfield said the tax moves would not necessarily require absolute harmonisation of rates, but at least their "approximation" in narrow bands. "The removal of internal barriers implies the removal of fiscal barriers," he said. "You have other effective barriers, but the fiscal barriers are the most important. Unless you get rid of them, you will never get rid of frontier barriers."

Member states had repeatedly stated their general commitment to the idea of creating a real common market, but that needed to be made a more specific political commitment.

Both the existence of zero-rating of goods like books and children's clothes in Britain, and multiple VAT rates elsewhere would have to be scrapped or made common throughout the EEC if the policy is implemented fully.

Lord Cockfield said the programme for the internal market would also include initiatives for removing barriers to trade caused by differing national standards for products and services. The Commission has already proposed abandoning the effort to define detailed European product standards, and relying instead on mutual recognition of differing national standards, provided they comply with minimum health and safety requirements.

The other key area for action would be opening up public procurement policies where existing directives needed strengthening and stricter enforcement, he said.

Telecommunications and high technology, in particular, needed legislation to ensure that purchasing was done on a Community-wide basis. "On new technology, Europe is not big enough to have 12 national markets," he said. "The biggest customer is likely to be government. It may also be easier to open up new technology, where we have not yet got established resistance groups and restrictive practices."

Lord Cockfield said longer-term moves to ensure not only an open market, but a flexible and growing one, would mean harmonisation of direct taxation such as company taxes.

"It is grit in the machinery in the free operation of Europe," he said. "In the end, you will build up a lot of pressure as you get an opened-up market and an expanded market. Pressure will build up for tax changes from business itself."

The plans for opening up the internal market should also help provide an important growth stimulus in the EEC. "There is no doubt the openness of the American market is one of the reasons for the strength of performance of the U.S. economy," he said. "Our plans offer the prospect of a new era of prosperity

Farm lobby rallies to beleaguered CAP

BY QUENTIN PEEL IN STRASBOURG

THE GREAT farm price debate split the European Paliament yesterday as the powerful EEC farm lobby fought a furious rearguard action to head off British-led attacks on the soaring cost of the common agricultural policy (CAP).

Into the arguments were thrown charges that budget discipline and the British budget rebate were destroying the agriculture of Europe; and the counter-charge that petty agricultural protectionism would start a new farm trade war with the U.S.

The budgetarians claimed that the EEC taxpayers were simply subsidising cheap Soviet food imports. The farmers' MEPs retorted that cereals surpluses were needed to feed the starving in Africa.

The Parliament is set today to vote on the European Commission's proposal for an effective price freeze for farmers in the coming year, with an amendment from its agriculture committee calling instead for a 4.5 per cent average price rise. The ultimate decision has to be taken by EEC farm Ministers in the coming weeks.

However, the budget committee of Parliament yesterday presented an unprecedented report rejecting the arguments of the farm lobby, which it said would add more than Ecu 1.1bn (£660m) to the cost of the CAP in 1986.

Most observers expect the farmers to carry the day, if not in favour of a 4.5 per cent rise, then at least in backing the Christian Democrats' plan for 3.5 per cent, or the Liberal group's plan for 2.5 per cent.

None the less, the budget committee has brought together the support of British MEPs, both Labour and Conservative, the bulk of the Socialist group, which is the largest in the Parliament, and most of the Communist group. The very fact of such an alliance suggests a considerable shift in the traditional strength of the EEC farm lobby.

The farmers' case was argued most forcefully yesterday by M Pierre - Benjamin Pranchere, French Communist rapporteur for the farm committee, who claims that a farmer's job was lost every two minutes in the EEC.

M Pranchere called for enforecement of the Community preference in favour of EEC products, which would discriminate against the U.S. for major exports such as corn gluten feed. He also blamed the British budget rebate. "Every year we see this wretched hand-out to the British lopping off the budget," he declared.

Mr James Elles, the British Tory MEP for Oxford and Buckinghamshire, an author of the budget committee report, retorted that M Pranchere's plans were a recipe for a trade war with the U.S.

He described the Commission's price freeze plan as 'courageous and appropriate" while calling for more support through direct aid to small farmers.

He warned, however, that the Commision had made no provision for any change in the exchange rate of the dollar, although a 1 per cent drop would cost an extra Ecu 100m in export subsidies to the EEC. Nor, he said, was there any allowance for a drop in world cereal prices which might result from the forms proposed in the U.S. Farm Bill.

Whatever the outcome of today's vote, the final decision on the farm prices is up to the farm ministers. However, a significant vote against the traditional strength of the farm lobby could provide ammunition for those seeking to hold down the cost of the CAP in the coming year.

Hungary offers medical course in English

By Leslie Colitt in East Berlin

HUNGARY is offering Western students a medical education — in English — in order to obtain hard currency. The first 38 students from Britain, the United States, Australia, Sweden and Iran have started first-year medical studies for $300 a month at the medical university of Pecs.

The hard currency income will be retained by the university to buy equipment and books in the West.

In 1983 Hungary launched German language medical instruction at Budapest's Semmelweis medical university.

Lectures and seminars will be held in English throughout the six year course of study. Students, however, will also learn Hungarian in order to establish direct relations with patients whom they start meeting in the third year.

Election arithmetic prompts Papandreou to move on constitution

Andriana Ierodiaconou in Athens reports on the replacement of the Greek President

WHEN THE Greek Socialist Government announced its own candidate for President last weekend, and said it intended to eliminate his strong powers under the constitution, quick arithmetic showed that to get the votes needed in Parliament for both moves the Government would need the support of the pro-Moscow Communist Party (KKE).

The Communists have now said that support will be forthcoming, sparking concern among Greece's western allies that this may mark the beginning of a drift towards a Socialist-Communist alliance in Government.

But such dramatic conclusions may be premature. Most political analysts in Athens believe that the KKE had little choice but to back the Government, and that at this stage there are no indications that a price has been set on their help. The Communists were the first to reject the re-election of conservative President Constantine Karamanlis, whom the Socialists ditched in favour of their own man.

The KKE has also been opposed to the Presidential powers introduced by Mr Karamanlis in a 1975 constitution after the collapse of the military dictatorship in Greece. It was the planned end to these powers that Dr Panadreou used as justification for his decision not to support Mr Karamanlis for another five-year term in a Parliamentary vote later this month.

The Prime Minister's surprise decision is judged, however, to have had more to do with the voting arithmetic in the general election which the Socialsts must face by October this year. The problem seems to have been pinpointed by the Left-wing of his Socialist Party. They apparently argued that Dr Papandreou's earlier inclination to endorse Mr Karamanlis's candidacy, which was well-known, would have cost the Socialists a critical number of votes in the election to parties further to the Left, such as the KKE or the tiny Eurocommunist Party.

Abandoning Mr Karamanlis would prevent this; at the same time, the shrewd choice for an alternative candidate of Supreme Court judge Christos Sartzetakis, a respected centrist described by one Western diplomat as "no Pasok poodle," was calculated to prevent the alienation of floating voters of the centre, who are believed to account for an estimated 15 per cent of the Greek electorate.

Mr Sartzetakis, 56, became known and admired in Greece for despatching a number of senior police officials to jail when he was chief investigator of the 1961 murder of a Leftist deputy at a political rally in Salonika. Mr Karamanlis was Prime Minister at the time.

The grass roots of Pasok, particularly rural supporters, are ideologically more radical than the pragmatic Government team led by Dr Papandreou in Athens, and have had a number of disappointments since Pasok was elected.

An agreement was signed extending the operation of the four U.S. military bases in Greece for another five years, legislation was introduced curtailing the right to strike in the public sector, and the issues of withdrawal from Nato and the EEC have been relegated to long-term "strategic goals."

But last weekend's events have raised questions for the first time about whether the tail might not now be wagging the dog. "It is possible that Dr Papandreou has created an electorate which is now more radical than he is," one Western diplomat in Athens remarked. For the first time the Left-wing may have succeeded in diverting the leadership on a major issue.

This view, is also reinforced by the fact that the Socialists must rely on the 13 KKE MPs in Parliament to get Mr Sartzetakis elected. The minimum majority required is three-fifths of the 300-member House (180 votes), in a third round of voting to be held on March 29.

In the first round, to be held next Sunday, a two-thirds majority is required for a candidate to be elected. The Socialists hold 165 seats, and although the Communists have already said they will support Mr Sartzetakis, some support will also have to come from the ten independent MPs in Parliament. The Conservative opposition, which had proposed Mr Karamanlis' re-election, have said they will cast blank ballots.

HARDWICK

The Socialists will also need KKE help in kicking off the complex procedure for getting the proposed constitutional reforms through Parliament. The present Parliament must approve the reform proposal twice, in two rounds of voting one month apart, with a three-fifths majority required in both.

If the amendment drive succeeds, the President will no longer enjoy the right to dissolve Parliament, if in his own opinion, it is "in evident disharmony with the popular will," nor will he have the power to declare war and conclude treaties. He will also no longer be able to veto legislation — in the past, his veto could be overturned by a three-fifths majority in the House — and the reforms will radically curtail his right to call referendums.

Acoding to Dr Papandreou, these powers must be done away with in order to avert the possibiltiy of their being exercised "in such a way as to lead to a party political president." Mr Karamanlis, who originally introduced the powers to ensure that the breakdown in dictatorship in the 1960s would not happen again, had always made clear in private that he regarded their use to be justified only in emergencies.

Nevertheless, Greece's Western allies saw Mr Karamanlis, because of his powers, as a guarantor of moderataion and smooth ties with the EEC and Nato curing the years of Socialist rule.

Political analysts stress, however, that it is premature and alarmist to talk about a future Socialist-Communist alliance in Government. They argue that the KKE had no option but to agree to the election of Mr Sartzetakis, and to the amendment of the constitution, which has been a claim of the Left-wing opposition in Greece since the mid-1970s.

"The Communists would have been hard put to it in the eyes of their own electorate not to back the Government," one Western analyst in Athens said.

Eyes will be on the next general election, which may be held as early as May. The question will be whether Dr Papandreou has succeeded in preventing losses on the Left-wing without incurring more damaging losses in the centre. The answer to that question will be important for the political future of Greece.

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Surprise jump in February U.S. retail sales

BY STEWART FLEMING IN WASHINGTON

U.S. RETAIL SALES jumped 1.4 per cent in February from their January level the Commerce Department reported yesterday, a rise which surprised Wall Street traders who had been expecting a much smaller increase.

Bond prices fell sharply in the wake of the announcement which was interpreted as a sign that consumer spending overall is likely to boost the economy in the first quarter and thus underpin interest rates.

Unemployment data and reports of small gains in department store sales last week led some economists to expect a subdued rate of economic growth in the first quarter.

Some Wall Street traders concluded therefore that fears of rising interest rates because of a strong economy were being exaggerated.

Yesterdays figures, which showed healthy gains in both durable and non durable goods sectors, have raised a question mark over this view. The figures appear to be consistent with the argument that a rising proportion of domestic consumption is being satisfied by imports.

On capital hill politicians who are pressing for vigorous action to cut the federal budget deficit maintain that the continuing good economic news is not helping them rally support for painful budget cuts.

Over the past two weeks the Senate Budget Committee has repeatedly baulked at approving major budget reductions although it voted to curb the growth of defence spending. On Tuesday, for example, the committee voted against a Reagan Administration proposal to cut $4.6bn (£4.2bn) of federal grants to the states from the 1986 budget.

Venting his frustration over the committee's failure to approve major budget savings yesterday Senator Pete Dominci, the budget committee chairman, said "special interests" are defeating his efforts to curb federal spending and warned that the deficit could rise to $400bn in the event of a serious recession.

IMF approves credits

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

THE INTERNATIONAL Monetary Fund yesterday approved standby credits for Ecuador and Costa Rica which are to be the cornerstone for rescheduling arrangements for both these financially troubled countries.

Approval of an SDR 105m (£93m), one year standby credit for Ecuador and an SDR 54m, 13-month credit for Costa Rica had been held up since early March because of a slow initial response to parallel credits being sought from commercial bank creditors.

In both cases, however, the required total of 90 per cent of commitments to the bank credits has now been reached. Costa Rica is seeking $75m from its bankers, Ecuador $200m.

Bankers said these packages had been slow to move in the markets because creditors were not willing to accord a high priority to assistance being sought for smaller Latin American debtors and this led to administrative delays in many of the participating banks.

Bikini atoll clean-up

THE 1,200 nuclear exiles of the Pacific atoll of Bikini yesterday won a long struggle to go home when the U.S. agreed to clean up their islad from atomic and hydrogen bomb blasts, *Reuter reports from Washington.*

In an agreement reached before the U.S. district court in Hawaii, the U.S. Government yielded to the islanders' demand that it pay for rehabilitation of the atoll, contaminated by 23 nuclear tests between 1946 and 1958.

No figure was mentioned in the terms of theagreement, released in Washington by Mr J. Weisgall, the Bikinians' *lawyer, but U.S. specialists* have estimated the cost at up to !50m (£46m), mainly for stripping away poisoned topsoil and replanting.

The islanders left their palm-fringed lagoon 2,500 miles southwest of Hawaii in 1946 to make way for the U.S. tests, which they were assured would be "for the good of mankind and to end all world wars."

Soviets set to join Intelsat

By Michael Donne, Aerospace Correspondent

The Soviet Union may formally join the 109-nation International Telecommunications Satellite Organisation (Intelsat) which runs the global telecommunications satellite network.

Discussions between Intelsat and the Soviet Ministry of Posts and Telecommunications over recent months have resulted in an information exchange agreement that could give the Soviet Union full membership of Intelsat within two years.

The agreement, *still* awaiting signature by the Soviet Minister of Posts and Telecommunications, would in the interim give the Soviet Union access to the existing Intelsat system of satellites covering much of the Earth's surface for telephone, TV and data transmission purposes.

The Intelsat system of satellites gives its members swift access to each other's telephone systems, and has made international subscriber trunk dialling possible between many *parts of* the world.

Whether Soviet membership of Intelsat would be accompanied by the same type of unlettered telephone links remains to be seen, but even if it did not go that far, it would open the possibility of wider communications between the Soviet Union and the West.

A suggestion that the Soviet Union's own Eastern Bloc competitor to Intelsat, called Intersputnik, does not meet all the Soviet telecommunications needs is not confirmed in the West, but seems probable.

Kirkpatrick to join Republicans

MRS JEANE KIRKPATRICK, *the retiring U.S. ambassador* of the United Nations, is formally to end her lifelong allegiance to the Democratic Party and switch to the *Republicans, Reginald Dale* reports from Washington. She will officially re-register as a Republican soon after completing her tour of duty *at the UN at the end of this* month.

Mrs Kirkpatrick, whose tough *foreign* policies have made her a favourite of conservative Republicans, has long ceased to be a Democrat in all but name.

The switch will enable her both to perform as an official party fund-raiser and to consider running for office on the Republican ticket.

David Fishlock talks to President Reagan's chief science adviser

Conversion of a Star Wars sceptic

Dr Keyworth . . . European talks

GEORGE KEYWORTH, President *Ronald Reagan's chief* science adviser, confesses that when he arrived in the White House in 1981 he shared the scepticism of much of the U.S. *scientific community about* the possibility of an effective defence against Soviet ballistic missiles.

Today he is the President's *principal advocate of* the Strategic Defence Initiative; the so-called "Star Wars" programme for anti-ballistic missile defence through ultra-fast weapons and computers.

In London yesterday Dr Keyworth sketched some of the latest technology and systems engineering which led to his conversion, and to the role which has probably put him closer to the U.S. President than any previous scientific adviser.

He arrived in Washington from *Los Alamos, the world's* first nuclear weapons laboratory, where he had worked for 13 years, finally directing experimental physics, the core of its programme. His beat included basic research, underground testing of nuclear weapons, and laboratory simulation of nuclear explosions with laser beams.

But even the sprawling campus of the Los Alamos laboratory was only a fraction of a very broad canvas of U.S. activity related to anti-ballistic missile (ABM) research and development. This activity was not proscribed for either nation under the 1972 ABM treaty between the U.S. and the Soviet Union.

One thing Dr Keyworth then believed was that any space-based ABM system must be highly vulnerable to enemy *action. He later discovered that* the strides U.S. scientists have made in making their technology invisible to enemy radar —referred to as "stealth" concepts—are immense.

But this is one highly classified area he is most unwilling to discuss. Others he positively enthuses over. These include an invention of U.S. astronomers for "taking the twinkle out of stars," a mirror which corrects automatically the atmospheric aberrations.

This "rubber mirror," as he calls it, is made of a myriad of small reflectors, each independently controlled by computer. It was recognised that if the "rubber mirror" could adjust incoming rays from a star, it could also respond fast enough to keep refocussing the beam of a laser weapon.

Beams of energy travelling at or near the speed of sound—100,000 times faster than any missile—will be the weapons of SDI, Dr Keyworth is convinced.

But the concept of assembling *an ABM system from the wide* canvas of technology available in the U.S. has been demonstrated using a simpler but slower weapon. In the homing overlay experiment last June, the U.S. army scored a direct hit on a ballistic missile with a high-*speed projectile, exploding the* missile with nothing more than the kinetic energy released in the collision. It was a remarkable demonstration of accurate long-range aiming in a system assembled from off-the-shelf technology for only $300m. (A single intercontinental ballistic missile (ICBM) in its silo may cost $100m).

Dr Keyworth's sights are set on the boost phase of the ICBM: the launch period when the engines burn brightest and are easiest to track with infrared "eyes," and while its warheads and decoys are still stowed in its nose.

Beam weapons under development include two kinds of super-laser whose beams might be refocused on a fresh target as fast as 10-20 times a second using the "rubber mirror." Other weapons also have other attractions. A beam of electrons would not burn a hole, like a laser, but would dump its energy right inside the missile, causing a violent explosion.

A beam of neutral particles generated by a particularly compact kind of generator might be still more disruptive, even at ranges as great as a geo-stationary satellite, some 22,000 *miles from earth. U.S. industry* is heavily engaged in this approach, he says.

Although much of the discussion has been of a multi-layered defence system with different kinds of weapon attacking the ICBM at different stages—boost, cruise and descent—of its flight, Dr Keyworth believes that it may pay greater dividends to concentrate several different weapons on the boost phase. This is undoubtedly the phase when the target is biggest and the numbers are smallest.

Dr Keyworth is no fan of the "Star Wars" tag being given to the SDI programme. Its stress is not on space but on speedof-light weapons, probably based *on the ground*, but using speed-of-light weapons, probably —nothing different in principle *from* present-day defence practice, he contends. He firmly denies charges that will carry war into space.

Dr Keyworth commutes regularly between Washington and three West European countries —Britain, France and West Germany, delivering talks "trying to develop as strong an intellectual base for SDI as I could."

His targets have not usually been scientists, except for such people as Sir Robin Nicholson, scientific adviser to Mrs Thatcher. "*President Reagan* is the first President who's stood up and said let's do our best to manage the nuclear era," he says.

A key part of his job since the U.S. presidential election has been to reassure Nato allies that the idea is not for the U.S. to withdraw within "Fortress America," but for Nato to help manage the change to a world sheltered by ABM defences.

Dr Keyworth is convinced that the Soviet Union came back to the arms negotiation table because it believes that SDI can be made to work, and so to invalidate their advantage in numbers of warheads. This was a conclusion it reached, he *says, from its own considerable* experience of beam weapons— "not widely appreciated in Europe."

He sees this reflected in an increasingly shrill Russian campaign opposing SDI, and overshadowing the present Geneva arms talks.

But Dr Keyworth believes that the turning point in East/West relations on arms control may come nearer the end of the decade, when the SDI is ready to stage a major demonstration of a beam weapon and its *ability* to destroy enemy ballistic missiles.

There are clear signs that the governments of Britain, France and West Germany have all *begun to* accept the SDI *case*, he says.

Legal row breaks out over Goetz inquiry

By Terry Dodsworth in New York

A BITTER legal row has broken out in New York over the reopening of a grand jury investigation into the case of Mr Bernard Goetz, the 37-year-old engineer who won national fame after shooting four black youths on the Manhattan subway last December.

The decision to put the issue before a new grand jury is being seen as a victory by leaders of the black community in the city. Since the first grand jury declared that *Mr Goetz's* action could be construed as legitimate self defence, black leaders have mobilised a forceful opposition, arguing that he should stand trial to explain his actions publicly.

Mr Robert Morgenthau, the Manhattan District Attorney, said that he had decided to re-submit the case because new evidence had come to light which was not available to the first grand jury. He refused to say what this evidence was, saying that he *did not want to influence* the grand jury's proceedings, which are held in secret.

Mr Goetz's action has won overwhelming public support in New York, where he is seen as a symbol of individual retaliation against the insecurity of many American streets and public places. Nevertheless, there have been signs recently of some reaction against him, particularly since evidence came to light indicating that he shot two of the youths in the back.

The District Attorney's handling of the case has also been criticised by two politicians running for mayor this year, Assemblyman Herman *Farrell and city council* president Carol Bellamy.

New economic team chosen in Brazil

BY ANDREW WHITLEY IN RIO DE JANEIRO

Sr Neves . . . old cronies and bright young economists

THE NEW Brazilian Government, which takes office on Friday, has been shaped in PresiUdent Tancredo Neves's own cautious image. It is also a careful composite of the heterogenous political forces which gave him victory in January's indirect Presidential elections.

The Cabinet is dominated by members of the Brazilian Democratic Movement Party (PMDB), the old *opposition* alliance and now the leading political party in the country. It also has a strong representation from the *Liberal Front Party (PFL), the recently* dformed breakaway from the military's former political vehicle, the Social Democratic Party.

PFL members, *many of them* former senior officials in past military governments, hold a number of key posts in the Neves administration. Among *the leading lights* are Sr Olavo Setubal, the new Foreign Minister, Sr Aureliano Chaves, the Mines and Energy Minister, and Sr Marco Maciel, the Education Minister.

Businessmen do not feature prominently in the new Government. Most of the new ministers are long-time politicians, *although* some may have had business sidelines during their long years in the wilderness. The most important exception is Sr Setubal.

An engineer by background, he is president of the Itau financial group, the second largest in the country. But he has also served as Mayor of Sao Paulo and continues to nurse his own ambitions for higher *political* office, possibly even the Presidency itself.

At the heart of the new Government, especially within the inner circle of *Presidential* advisers, is a group of long-standing political companions of the President. Many served with him during his brief tenure as Prime Minister in the early 1960s and several spent long periods in exile.

Others are his own relatives: notably his 24-year-old grandson, Sr Aecio Cunha Neves, who will be his private secretary, the man guarding the door to the Presdential office.

*In terms of geographic dis*tribution of posts, the new Government represents a reassertion of the old political alliance between Minas Gerais—Sr Neves's own, self-confident and self-sufficient state—and Sao Paulo, the economic powerhouse of the country. Several of the new Ministers have had experience in the state Government of Sao Paulo, where they administered budgets large than those of many Latin American countries.

A third powerful prong of the contingent, without *which no* Government is the north east Brazilian Government can be considered complete. No fewer than eight of the top echelon *Ministers* have north eastern antecedents.

In the economic team, primacy will revert from the Planning Ministry—the roost from which Sr Antonio Delfim Netto ruled on and off for over 15 years—to the Finance Ministry. Here the President has installed one of his closest and most loyal aides, Sr Francisco Dornelles.

Sr Dornelles, 50, is a tax lawyer, educated in Rio de Janeiro and at the University of Nancy in France and at the Harvard law school *in the U.S.* His entire professional career in Government has been in the same specialised field, dealing with the intricacies of double taxation agreements with *foreign* countries and with domestic taxation policy.

One of his first administrative priorities is expected to be the long overdue reform of Brazil's public finances, particularly the unification of the multiple Government budget. But no radical measures can be expected from him.

Sr Dornelles, who also has the inestimable advantage of being the President's nephew, will be joined by the youthful new central bank governor, Sr *Antonio Carlos Lemgruber* in dealing with foreign bank creditors.

Sr Lemgruber, 37, heads a completely new team at the central bank with an average age of only 39. This shoal of bright young economists, mostly trained in the U.S. and with an orthodox monetarist outlook, have been regular critics of the outgoing Government's economic policies.

Any polemics over policy are likely to develop between this group and the new Planning Minister, Sr Loao Sayad. Sr Sayad, himself only 39, is a Keynesian economist who is stepping up from the same job in Sao Paulo state.

His biggest task will be to try to bring under control the giant state companies, responsible for two thirds of the country's *foreign* debt and an even higher proportion of the internal public debt. This may well put him at loggerheads with one of the most powerful members of the new government, Sr Aureliano Chaves, the Mines and Energy Minister.

Sr Chaves will be the official responsbile for most of the big *spending state behemoths.* But his background as vice-president in the Figuieredo Government and his firm belief in the driving role of the state in Brazil's economic *development*, lends little encouragement to those reformers who want to see the state sector cut down to size.

OVERSEAS NEWS

Iraqis seek to stem Iranian offensive

BY ROGER MATTHEWS, MIDDLE EAST EDITOR

IRAQ yesterday launched what it described as a three-pronged counter-attack to drive out Iranian forces from territory they seized from Iraq in the latest big ground attack of the Gulf War.

Iraq acknowledged the seriousness of the attack by sending Gen Adnan Kherullah, the Minister of Defence, to the front to direct operations. A military communique from Baghdad said the offensive had been halted.

Iran launched its attack in the early hours of Tuesday using amphibious craft and helicopters but it was still unclear yesterday whether it will build up into the larger offensive that has been threatened for several months.

Nevertheless, both sides yesterday reported continued heavy fighting in the Hawizah marsh area in the southern part of the battlefront.

So far Iran is claiming to have killed 700 Iraqi troops, taken 160 prisoners and destroyed 35 tanks and three helicopters. Iraq said it had killed an unspecified number of Iranian troops and brought down four helicopters.

Iraq has meanwhile resumed its air attacks on Iranian cities, striking at Isfahan and Bakhtaran, formerly Kermanshah. This followed earlier attacks on three villages close to the border.

Iran responded immediately, saying it would resume its shelling of Basra, Iraq's second largest city which is just south of the fighting in the Hawizah marshes.

Travellers to Basra yesterday reported that one of the main roads from Baghdad had been closed to civilian traffic in order to permit long convoys of armour and other military equipment to head south.

In Tehran, the authorities have urged the population to keep their curtains closed at night and not use unnecessary lights. Power supplies were cut for six hours on Tuesday night. This is assumed to be a precaution against further Iraqi attacks.

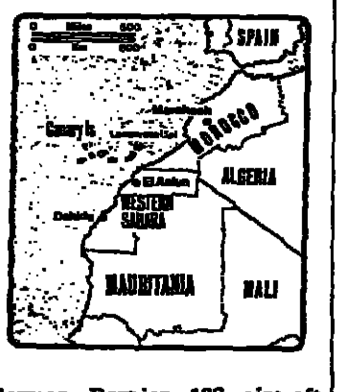
IRAN yesterday said Iraq was using chemical weapons in the fighting on the southern Gulf War front, Reuter reports from Tehran. Iraq last year drew sharp international criticism after similar Iranian allegations that chemical weapons had been against its forces.

Bourguiba abandons plan for N. African summit

BY FRANCIS GHILES

PRESIDENT Habib Bourguiba of Tunisia has suspended attempts to convene a summit meeting of five North African heads of states because differences between Algeria and Morocco over the fate of the former Spanish colony of the Western Sahara have proved unsurmountable.

In a speech made 10 days ago in Marrakesh, King Hassan ruled out any concession where his country's "territorial integrity" was concerned but refrained from attacking leaders.



This came five days after President Chadli of Algeria had ruled out any summit of North African countries which excluded representatives of the West Sahara people.

Meanwhile, the Polisario Front, which has been fighting for the independence of the Western Sahara since 1975, confirmed they had shot down a German Dornier 128 aircraft flying from Dahkla — at the south western tip of the disputed territory to the Spanish island of Lanzarote.

● The U.S. Administration is asking Congress for approval for \$140.7m in aid for Morocco next year, AP reports from Washington.

Pakistan to get U.S. air-to-air missiles

THE U.S. will supply Pakistan with advanced air-to-air missiles after Soviet air intrusions from Afghanistan, Mr Michael H. Armacost, U.S. Under-Secretary of State for Political Affairs, said yesterday, AP reports from Islamabad.

Mr Armacost told a news conference, "the United States remains deeply concerned about the threat to Pakistan, and indeed all south Asia, from the Soviet presence in Afghanistan."

He also said United Nations-assisted indirect talks between Pakistan and the Soviet-supported government in Afghanistan could not make progress "unless there is willingness on the part of the Soviet Union to withdraw its troops from Afghanistan."

Mr Armacost said the U.S. Administration had notified Congress of its intent to supply Pakistan with Aim-9L air-to-air missiles to be installed on F-16 jet fighters that Washington is selling to Islamabad.

India set for growth

Prospects for the Indian economy look fair, the National Council of Applied Economic Research says in its survey for the 1984-85 year ending in March, Reuter reports from New Delhi. The survey, published only three days before the presentation of the new national budget on Saturday, says India's gross national product will probably grow by more than 4 per cent in the year, with industrial output likely to be higher than in the previous year but possibly falling below the Government's 8 per cent growth target.

Businessman held

A Delhi magistrate yesterday rejected requests for bail for Indian-born British businessman Mr Rajendra Sethia, who was declared insolvent in Britain's biggest bankruptcy case, Reuter reports from New Delhi.

Mr Sethia was arersted here two weeks ago at the request of the Fraud Squad in London. The British High Commission said it had requested his return to face nine criminal charges involving several million pounds.

Indonesia counts cost of fire disaster

BY KIERAN COOKE, RECENTLY IN EAST KALIMANTAN

A DRIVE down the road from the Indonsian timber town of Samarinda to the oil town of Balikpapan in East Kalimantan is rather like entering a world in the aftermath of a nuclear war.

Leafless trees with blackened trunks dot the horizon. The small of burning charcoal and coal fills the air and the chirping of birds has been replaced by the constant whirr of insects.

For four months in early 1983, East Kalimanton was the scene of a fire which ecologists now describe as the worst environmental disaster to be visited on the world this century.

The grim statistics tell much of the story:

● 3.7m hectares of tropical rain forest burn, an area roughly the size of the Netherlands.

● An estimated 20m cubic metres of tropical hardwoods destroyed, valued at about \$12bn.

● Valuable coal and peat deposits beneath the forest floor completely burnt out, and an inestimable quantity of wildlife killed and plants destroyed.

The cause of the fire was the worst drought in the area this century, which completely dried up the damp and swampy forest floor. The drought was caused by a rogue sea current nicknamed "El Nino," which spread unusually warm water across the entire surface of the Pacific, playing havoc with normal weather patterns.

The result in East Kalimantan was the failure of the monsoon rains for more than two years.

Both at Samarinda and Balikpapan, airports had to be closed for up to a week at a time because of smoke and in Singapore and Kuala Lumpur, more than 1,000 miles away, people complained of excess air pollution. Even now, two years later, some coal deposits in the area are still burning.

The damage done by the fire is still being assessed. Mr Emil Salim, the Indonesian Minister of the Environment, says the issue is so complex that it could be the end of the century before any proper report on the disaster can be compiled.

"There are very few lizards and worms now," says a senior forestry official. "What do exist are caterpillars as big as a forefinger." These and other insects are destroying many trees.

"By the time we chop them down," said one logger, "they are riddled with holes, just like a Swiss cheese." Many valuable seedlings have also been lost, particularly of the Meranti species, the most popular wood for plywood manufacture.

Further damage has been caused by flash floods which have hit parts of East Kalimantan since the fire. Peat deposits in the midle of the burnt-out area once acted as a sponge to soak up excess water during the rainy season: now the levels of the many rivers in the province rise alarmingly when the rain comes.

In contrast, during the dry season, people fear another fire which could turn into an even bigger conflagration with so much brush and deadwood to feed on.

In the midst of so much devastation, however, there are some signs of hope. Scientists working in the forest have been amazed at the speed with which some areas have regenerated. They have also found that small pockets of the forest escaped the fire and these might act as future catalysts for the forest's revival. Complete regeneration is very unlikely and will, anyway, take hundreds of years.

Questions have been asked about the apparent lack of action by the Indonesian Government at the time of the fire. Local officials have been accused of deliberately playing down the extent of the damage.

Pictures taken by a satellite belonging to the U.S. National Oceanographic and Atmospheric Agency in early 1983 showed the extent and pattern of the fire, and critics say Indonesia had access to the pictures.

But a German forestry expert in the area at the time of the fire says that, even with the most modern equipment and outside help, the fire was so big that little could have been done, especially after it went underground, burning itself out in one part of the forest and starting in another entirely separate area.

"The facts of the fire," he says, "are depressing enough, without trying to find someone to blame."

Indonesia arms dump blasted

AN EXPLOSION rocked an Indonesia military ammunition dump yesterday, killing a number of soldiers and civilian workers, the armed forces command said, Reuter reports from Jakarta.

The blast, at a supply base on the outskirts of the western Java city of Bandung, was at least the third at military ammunition storage depots in the past six months.

A military statement said the blast was triggered accidentally this morning in a small warehouse when old ammunition was being unloaded from a truck.

Kiernan Cooke adds from Jakarta: Indonesia's Foreign Minister Dr Mochtar Kusumaatmadja, will go to Hanoi today for talks with senior Vietnamese officials. He emphasised his trip would be concerned only with bilateral issues but said he would listen to Vietnamese opinions on the Kampuchean question.

S. Africa worried by U.S. support for U.N. censure

BY JIM JONES IN JOHANNESBURG

THE South African Government is seriously worried by Tuesday's unanimous UN Security Council vote condemning the country's domestic policies. Mr Pik Botha, the Foreign Minister, said in Cape Town yesterday that South Africans should not underestimate the possible results of the vote.

The UN motion, which called for the unconditional release of all South African political prisoners and the dropping of treason charges against 16 members of the United Democratic Front, was supported by the U.S.

This is the first time the Reagan Administration has joined other Security Council members in condemning South Africa, and it is feared here that it could represent the start of a major change in U.S. policy towards the country.

Mr Botha reiterated his earlier position that South Africans would be hard hit by the growing disinvestment campaign in the U.S., which, he said, could lead to significant economic damage.

● Also in Capetown yesterday, Mr Ted Pavitt, the president of the influential South African Foundation (SAF), said that the country has too few friends to be able to afford offending any of them.

Addressing the annual meeting of SAF, which is a lobbying group which seeks to influence opinion outside South Africa, Mr Pavitt called for greater communication between Government and other sections of society. He cautioned, however, that, after more than 30 years of prescriptive politics, the Government had become unaccustomed to consultation.

Zambian unions call off strike

By Patti Waldmeir in Lusaka

THE ZAMBIA Congress of Trade Unions (ZCTU) has called off a two-day nationwide strike by workers in the country's banks and several public sector corporations, after President Kenneth Kaunda took emergency powers to ban strikes in essential industries.

Banks reopened yesterday after a two-day shutdown sparked by a dispute over the abolition of a system of automatic deduction of union dues from workers' salaries. Operation returned to normal at the Posts and Telecommunications Corporation, the Railways and the Electricity Corporation after sporadic disruption on Tuesday.

Faced with an ultimatum by the Government either to return to work or suffer dismissal, ZCTU chairman Mr Frederick Chiluba had little option but to call off the strike, according to union officials.

Queensland sackings bring threat of stoppages

By Michael Thompson-Noel in Sydney

THE AUSTRALIAN Council of Trade Unions (ACTU) yesterday threatened widespread industrial action if the Queensland state government refuses to soften its attitude to 900 sacked power workers.

Sir Joh Bjelke-Petersen, Queensland's autocratic National Party premier, recently banned strikes in the power industry, following blackouts and a state of emergency that cost industry A\$1bn (£650m).

Sir Joh is also insisting that the sacked electricity workers work longer hours if reinstated.

Yesterday's move by the ACTU marks an escalation of the dispute, and might spark a showdown between Sir Joh, 74, and Mr Bob Hawke, Australia's Labor Prime Minister.

Mr Hawke is a former ACTU president. Part of Mr Hawke's electoral appeal rests on his promise to repair Australia's fragile industrial relations structure.

The ACTU has not yet revealed its tactics for combating what it sees as Sir Joh's vindictive war on union rights, but guerrilla-style work stoppages and rallies—perhaps nationally—are on the cards.

Union leaders have endorsed a national fighting fund which will seek to raise A\$1m.

Sir Joh, who rules unchallenged in Queensland, has the backing of employers for his campaign for "strike-free electricity," plus the endorsements of the opinion polls. He said yesterday there was nothing further to negotiate, adding that many of the sacked workers were prepared to work under the new terms.

Reuter adds: Aborigines will regain ownership of Ayers Rock, one of their most sacred sites and Australia's greatest tourist attraction, in an agreement reached today with Aboriginal Affairs Minister Clyde Holding.

Under the deal expected to be signed in June the Pitjantjatjara tribe would gain freehold title to the rock and surrounding Uluru National Park in the Northern Territories.

The Government would have a 99-year lease on the rock and park and would pay the Aboriginal owners A\$75,000 (£49,000) a year plus a fifth of the income from visitors' fees, Mr Holding said.

WORLD TRADE NEWS

Over 80 Congressmen back Bill to cut textile imports

BY ANTHONY MORETON, TEXTILES CORRESPONDENT

MORE THAN 80 members of both houses of the U.S. Congress have backed a Bill, to be introduced into the Senate and the House of Representatives simultaneously on March 19, to cut imports of textiles and clothes into the country.

A spokeswoman for Rep. Ed Jenkins, chairman of the House textiles caucus, said this week that by the time the measure is introduced, it was hoped to have the support of 100 Congressmen.

"This would make it one of the strongest supported measures to be introduced to Congress for years," she said.

In the Senate, the Bill is being sponsored by Senator Strom Thurmond who, like Mr Jenkins, represents a Southern textile constituency, and Senator Daniel Moynihan.

Details of the Bill are being kept secret by the sponsors, but *it is understood* they are seeking either *global* quotas on imports from 12 major suppliers or the imposition of an import surcharge.

The bill follows the setting-up of the Fibre, Fabric and Apparel Coalition for Trade (FACT) late last year under the chairmanship of Mr William Klopman, chairman of Burlington Industries of North Carolina, the largest textile concern in the world. Burlington has an annual turnover of just over $3.3bn (£3bn).

FACT was set up following a huge surge of imports into the U.S. These rose by 63 per cent, as a direct consequence of the strengthening of the U.S. dollar, in 1983-84.

The bill is understood to isolate those supplier countries which each accounted for at least 1.25 per cent share of total U.S. imports last year. Suppliers would in future be restricted to 95 per cent of their 1982 shipments.

Seventeen countries fall within this category. The intention is not to act against the three European countries—West Germany, Italy and the UK—because of treaty obligations. Nor is any action being proposed against Canada and Mexico.

The 12 likely to be affected are Taiwan, South Korea, Hong Kong, China, Japan, Pakistan, India, Indonesia, the Philippines, Thailand, Brazil and Singapore.

The intention also is that every country, other than the dominant 12, be restricted to an increase of no more than 15 per cent each in supplies to the U.S. this year and, thereafter, would be limited to an annual growth rate of 6 per cent.

"The industry is desperately concerned at the rapid rate of growth of imports," said a FACT official.

"Textiles is the largest industry in the country, much larger than cars or electronics, with a major employment impact in every state," he added. The U.S. textile industry has lost 200,000 jobs since 1980.

The proposed legislation has come at an embarrassing time for the Administration because international talks are about to begin in Geneva on the whole future of trade in textiles.

The General Agreement on Tariffs and Trade (Gatt) has to reach a preliminary position on the future of the Multifibre Arrangement (MFA), the world agreement that covers some 80 per cent of trade in textiles and *clothes, by July.*

Last year, the U.S. renegotiated more than 100 bilateral agreements with its suppliers, in nearly every case preventing them from selling as much to the U.S. as their agreement allowed.

*This action caused much re*sentment in Gatt and led to the U.S. being criticised by many West European countries as well as those in the Far East

E. Germany set to take up £5.5m credit line

By Marjorie Lindsay in Leipzig

DEUTSCHE Aussenhandelsbank (DAB), East Germany's state bank, is expected to sign the first floating-rate D-Mark denominated general purpose *line of credit with a consortia* of banks led by Lloyds Bank International of the UK.

The DM 20m (£5.5m) deal is expected to be signed tomorrow.

The credit line is expected to be doubled to DM 40m in the next few months.

The UK Export Credits Guarantee Department is supporting the credit line. The loan is for capital and semi-capital goods and associated services, mainly related to textile goods from the UK and *such non-UK goods* as may be approved by ECGD.

The interest rate will be at margin over the Libor rate for D-Marks. The current borrowing rate would be 7-7½ per cent, which is relatively cheap for East Germany. *The loan also* means East Germany is able to borrow substantially below the OECD-agreed Consensus rate.

The credit line is to be used for orders for British textile machinery *in* particular. The deals were struck at the semi-annual Leipzig Trade Fair.

Other members of the loan syndicate include Barclays Bank, National Westminster Bank, Midland Bank, and Williams and Glyn's Bank.

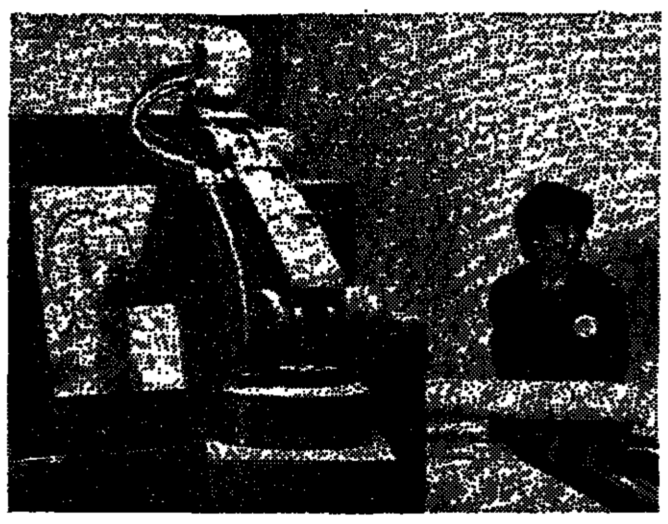
Ian Davidson previews Japan's Science and Technology Exhibition

'Expo' with fairground trappings

IF YOU want to see an outdoor television screen 40 metres wide by 25 metres high, ride on an experimentaly magnetic-levita*tion train, or watch a 3-D science* film created by a computer and projected on a wrap-around dome screen, the international Exposition which opens at Tsukuba in Japan on Sunday will be the place for you.

The official theme is: "Dwellings and Surroundings—Science and Technology for Man at Home"; but it may well turn out to be more like an educational-technological Disneyland, with many exhibits to impress the visitors with the wonders of modern (and more especially of Japanese) industrial technology.

About 28 Japanese companies are exhibiting, including many of the most famous names *(Mitubishi, Mitsui, Matsushita,* Suntory, NEC), as well as 47 foreign countries, and there are a number of Japanese government pavilions.



A portrait-painting robot in the Matsushita Electric exhibit is one of the attractions at Tsukuba Expo '85

During the six months that the Exposition is open, the organisers hope for 20m visitors, including 1m from abroad; half of the visitors are expected to be children, and they are likely to enjoy it most.

The vast outdoor television screen is the so-called Jumo-tron by Sony, and it is composed of 6,300 light-emitting units, digitally controlled from a central control room; apart from pre-recorded film, a camera on the roof shows the crowds on the ground staring up at the screen.

The magnetic-levitation train is an experimental High Speed Surface Transport (HSST) developed by Japan Airlines. Apart from the levitation feature, it is driven by a linear induction motor, and is designed to travel at 300 kph. Because of the shortness of the Expo track, however, this prototype only travels at 30 kph.

The 3-D film, which includes *a simulated sequence as if show*ing the crystals inside a block of ice, is exhibited by Fujitsu, which is also demonstrating a 5-metre-high robot capable of lifting 200 kg, and a four language computer translation system.

The Federation of Japanese Electric Power Companies is showing an exhibit to illustrate various forms of power—natural, nuclear, fossil for example—which are displayed in successive scenes in a kind of ghost-train ride, to the accompaniment of Albioni's Adagio and Bach's Jesu Joy of Man's Desiring.

Outside, the Expo has many of the trappings of a fairground: an 85 metre-high Ferris wheel, a monorail and a cable car.

No one pretends that Expo '85 will make money. The direct construction costs at the site itself are estimated at Y130bn (£454m), while the indirect costs on communications and infrastructure come to another *Y440bn, adding up to a grand* total of $2.2bn.

By contrast, income from admission tickets are expected to reach only Y25bn, or about £91m.

On the other hand, part of the purpose of the investment in Expo '85 is to publicise the nearby Science City at Tsukuba, now the home of two universities and 44 other research institutions which, in the past four years, *have transferred from* other parts of Japan, mainly Tokyo.

When Expo closes and the pavilions are torn down, the Government hopes private Japanese companies will take advantage of the prepared site to set up manufacturing facilities. So far, according to the organisers, about 20 companies have shown some interest in the idea.

Pledge on petroleum products

BY PAUL CHEESERIGHT IN BRUSSELS

IMPORTS of petroleum products from new refineries just on stream or coming into production in the Middle East should be safe from EEC tariffs provided they do not exceed 20m tonnes a year by 1990.

The European Commission *yesterday published* its forecasts for the future of EEC refining and its assessments of the impact of new Middle East output in the form of a communication to the Council of Ministers which meets in Brussels tomorrow.

That 20m tonnes would be some 40 per cent of the expected flow of petroleum products on to the world markets from Saudi Arabia primarily, but also *Kuwait* and *Libya*. The rest is likely to go mainly to the U.S. and Japan, the Commission said.

But it would be up to Ministers to decide that this tonnage is a reasonable amount for the community to absorb, officials made clear.

The Commission is confident that the tonnage from the Middle East can be absorbed on the world markets if:

- The exporters maintain what it calls "their traditional res*ponsible attitude towards trade* in petroleum products," which presumably means there is no dumping; and,
- The main consumer markets adopt similar policies, that is, they do not outbid themselves in a protectionist race.

But the Commission gave a warning, likely later to be echoed by Ministers: "The Community has always applied a liberal policy as regards imports *of petroleum products.*

"This attitude should not, however, result in the Community bearing the whole burden of the new refineries' entry into the market."

Petroleum products for further processing are not subject to tariffs. Those for consumption directly attract a tariff of 6 per cent—light and medium oils—or 3.5 per cent in the case of heavy oils.

Exports from Saudi Arabia, Kuwait and Libya come in under *the generalised scheme of* preference, meaning that duties can be imposed after a certain ceiling has been reached. Although imports have frequently been higher since 1979 no duties have beer imposed.

The new production comes on the market as the Community industry continues to restructure. Primary capacity has been reduced by one third since 1977 and is now 10 per cent above the capacity required on the basis of 80 per cent utilisation.

After cuts this year, installed distillation capacity in the EEC will be some 570m tonnes a year.

Skoda plant orders 'soon'

By Leslie Colitt, recently in Prague

CZECHOSLOVAKIA is expected shortly to award contracts worth $110m (£100m) for the modernisation of the Skoda car plant. *The equipment* is needed for production of a new model car in 1987.

A welding shop with dozens of industrial robots for spot-welding will be ordered along with parts of the assembly line and machining centres for making cylinder heads, gearboxes and crankshafts.

Contracts will need to be awarded soon if the timetable for the new model is to be kept, Czech officials say. The orders are to be split up among several Western companies.

Britain is the biggest single market in the West for Skoda cars and several UK companies have submitted bids.

Seoul scales back nuclear energy programme

BY STEVEN B. BUTLER IN SEOUL

THE SOUTH KOREAN Government has scaled back ambitious plans to expand its nuclear energy programme. It will build two out of an initially-planned four new reactors, to *give the country* 11 nuclear power units by the end of 1996.

The decision ends a long debate within the Government over the economic advantages of nuclear power. The nation's economic planners in recent years have continuously revised downward their forecasts for the growth of energy demand in the country.

Construction of the two plants is scheduled to start in 1988, with the plants completed in 1995 and 1996.

A bidding schedule on the plants has not been announced, although one industry official said he expected bidding might take place at the end of the year. "Nothing official has happened yet," he said.

At present, South Korea has three plants under operation, with six to be completed by *1989.* After completion of the plants in 1996, nuclear energy will supply one-third of the nation's electricity needs, up from a current 13.5 per cent.

The Minister of Energy Resources said that a total of 17 power plants would be built in the 1991 to 1996 period.

Two of the plants would be the nuclear plants with a generating capacity of 900 Mw each. There will also be 12 500 Mw capacity plants fired with bituminous coal, and three hydro-power plants.

The completion of all the plants will give South Korea a total generating capacity of 28,263 Mw.

Fresh bid for talks to lower trade barriers

BY OUR TRADE EDITOR

TRADE MINISTERS from Pacific countries meet this weekend in the latest of a series of informal gatherings to advance the launching of a multilateral negotiation on world trade barriers under *the auspices of the General* Agreement on Tariffs and Trade.

The weekend meeting in Tokyo will be hosted by Mr Shintaro Abe, Japan's Minister of Foreign Affairs.

The impetus for another Gatt round starting next year has come from the U.S., and Japan, with support from Canada, Australia and some EEC countries including the UK.

But recent reports from Washington suggest that France and Italy are reluctant to endorse the project unless there is a parallel conference on monetary reform. That rider has been rejected by U.S. officials.

The Tokyo conference, organised by the London-based Trade Policy Research Centre, will bring together Ministers or senior officials *from Malaysia, South Korea,* the Philippines, Hong Kong, Thailand, Australia, New Zealand, the U.S. and Canada.

Wimpey International

WE WOULD like to make clear that Wimpey International has secured an agreement in principle to carry out a feasibility study for an aluminium smelter in Malaysia.

The final details have not beenn settled. The study, if carried out, could lead to a full turnkey contract for the company.

THE MANAGEMENT PAGE: Marketing and Advertising

EDITED BY CHRISTOPHER LORENZ

Are the critics of ratecapping left-wing extremists?

Ratecapping makes no sense.

Making an issue of public opinion

Feona McEwan reports on advertising in the 'political' arena

1984 was the year of "issue" advertising—that method of spreading information that is guaranteed to spawn howls of outrage. Scurrilous, goes the cry. Disgusting. Alarmist. Propagandist.

But then it is not a cosy form of advertising. The idea is to jolt observers into consciousness of an issue. To make us take a stand. To take issue—generally in response to a government initiative.

"What d'you mean our medicines are coming off the NHS? . . . we're over 65," runs a current ad featuring two bewildered pensioners. An ad designed, if ever there was one, not to leave you sitting comfortably. The issue is the Government's proposed limited list of prescription-only medicines available on the Health Service, a move vigorously opposed in print, most visibly, by the Association of British Pharmaceutical Industries in a campaign that began running in December.

Or there is the Orwellian image of Mrs Thatcher on screen dominating the masses: "In 1984," says the ad "Central Government took new powers to control local councils." The issue is the government's ratecapping scheme and the agitators, the Association of London Authorities, which opposes such parental control.

Nor have Londoners failed to miss the GLC's anti-abolition campaign. The poster covered in red tape with the words, "Imagine what London will be like run by Whitehall." Or the ad which made a hero of the GLC's leader, Ken Livingstone, by featuring him with the line "If you want me out you should have the right to vote me out."

There is a marked increase in spending in this area. According to Media Analysis by Expenditure which defines the sector as "political and trades union" advertising, the overall spend in press (at rate card) was £1m in 1982, £3.9m in 1983 rising to £7.4m last year. (Political advertising on television is not allowed.) Among 1984 campaigns were those from the National Coal Board (£1.3m specifically on the miners' dispute and £1.8m on its "reshaping" plans).

Issue, or advocacy, advertising is not new in the UK. Back in 1901 the British tobacco companies joined forces to fight American imports. In 1947 Tate & Lyle ran its Mr Cube campaign to ward off nationalisation. It is since the 1970s, however, that the practice has come to the fore, as companies and industries band together to fight for their rights. In the early seventies Bristol Ship Repairers begged the Government: "Dear Mr Benn, please don't nationalise us." In 1976, the banks took up the cry when nationalisation was proposed, and collected some 55,000 coupons (90 per cent of them supportive) for their trouble.

"British issue advertising tends to be reactive," says Anthony Wreford of corporate communications specialists, McAvoy Wreford Bayley. "We've only seen limited use of it here. It's backs to the wall stuff, whenever there's a problem. Some instances where issue advertising has been used include the Stansted airport debate, the British Airways-British Caledonian air routes tussle, local authority cuts, tobacco restrictions."

Things are different in the United States. American companies are well versed in making pre-emptive advertising strikes, building goodwill by explaining themselves to opinion formers and decision makers in advance of potential problems. Mobil has been doing this every week for about 15 years in the New York Times and the Wall Street Journal. So has United Technologies (see this page February 23 1984), to name only two. In Europe, the Dutch motor industry has taken a public stand on issues like taxation and pollution.

The British pharmaceutical industry took up its campaign, its first ever, in exasperation, some say desperation. (The association represents all major manufacturers of prescription-only medicines available in the UK.) Joint corporate activity had been contemplated before; "The industry has always felt it has had an unfair deal," says Peter Lumley, public affairs manager of the ABPI. It is accused of being overly profitable, of making profits at the expense of the sick, and a poor press hasn't helped, he says.

So why now? The idea of a limited list coming after two government price controls since 1983, was seemingly the last straw. "The industry felt clobbered and decided to fight tooth and nail.

"We felt desperately unhappy about extremely misleading information given to the press and the public," which the ABPI felt minimised the sweeping nature of the move. The original proposed list contained about 30 drugs in eight therapeutic categories which alone could be prescribed on the NHS.

So the industry is parading its virtues. "Our research is saving lives . . . that's worth a lot more than the Government's limited list," it announced to the public in full page ads.

This is a hard-hitting campaign (devised by Oliver Miller Advertising with a £1m budget) and one that has stirred up its own furore. "MPs have accused us of raising unnecessary fears," says Lumley, "but you can't do an issue campaign without upsetting government ministers. It wouldn't be working, would it?" The idea has been to urge members of the public to write to their MPs.

"We gather MPs are receiving postbags as big as anything since the abortion bill," says Lumley, though he does not suggest the campaign alone is responsible.

"What we've done is achieve a victory in the sense of generating a much wider public debate on the issue than would otherwise have happened," says Lumley. Initially the public was invited to respond to the association by filling in coupons, admittedly by Freepost. It was overwhelming. The ABPI had expected 20,000, it received 100,000 in three weeks and another 20,000 after the invitation coupon ceased to appear. About 900 did support the government—which represents about 1 per cent of the response.

As a result of general public pressure, with community organisations, trades unions and the medical establishments putting their case too, the "white" (approved) list currently stands at more than 100 products. The Government is due to make its final decision any day now.

Proposed changes in local authorities have inspired advertising responses for the past three years, most visibly in the past six months on the ratecapping issue. In 1981, The Association of Metropolitan Authorities, which represents a large number of local authorities, ran the "Keep it Local" campaign, urging people to write to their MPs.

Strong graphics from agency Boase Massimi Pollitt (which did the GLC campaign) of a gagged woman with the line "Whitehall's new idea for dealing with local questions" and image of a pair of hands tied behind the back saying "What's Whitehall up to behind your back" warned of the Government's rate-capping proposals.

The issue proved a hard one for capturing public sympathy. Research had shown, according to BMP, that people were dimly aware of the proposals if at all; those who knew didn't care much and on the whole thought the proposals a good thing as they were seen to be trying to restrain waste.

The campaign appealed for public sympathy on the lines that at least local government knows more about local affairs than does central government. The Bill, as it turned out, was ultimately amended.

More recently, the Association of London Authorities has taken up the gauntlet on behalf of a number of large London boroughs, the GLC and ILEA. Various individual urban boroughs have conducted their own ads too, like Sheffield, Liverpool and Manchester.

"It was a complex issue to try to put across," says Barry Delaney of agency Delaney & Delaney, which developed the "Rate-capping makes no sense" campaign for the ALA. "On the one hand there was the complexity, on the other an embarrassment of riches in that the legislation was full of anomalies."

They got round the problem with ads such as the moving goalposts claiming "How Whitehall decides which local councils are on target"; this outlines the contradictions, as the ALA sees it, of the Government's methods of setting financial targets for local councils.

Response to the campaign has been fierce. A number of referrals have been made to the Advertising Standards Authority (the industry watchdog on print industry) even though its remit excludes political advertising. One publication insisted on putting the word "advertisement" over each page of a spread for the first time for about 20 years. Editors, of course, have the final veto over any advertisement to appear in their publications. This paper declined to carry one ALA ad (though it has carried others).

The result of the ALA campaign remains to be seen; parliament will make up its mind on the issue shortly.

All change in Canada

Tony Thompson explains why accounts move with the Government

THE MANNER in which Canadian government advertising contracts are awarded has come under public scrutiny following last September's election of Brian Mulroney's Progressive Conservative Party.

It has long been an open secret that advertising agencies supporting the ruling political party are rewarded for their help, particularly during election campaigns, with federal advertising accounts. A change of government signals a wholesale switch of accounts from Liberal to Conservative-supporting agencies or vice-versa.

The federal government is the country's largest advertiser. It spends C$60m (£42.8m) domestically and C$30m abroad on tourism and trade annually—way ahead of Procter and Gamble, a poor second at C$40m. The prizes, or penalties, for support can be substantial.

"That's the way it is in our business," says Hank Karpus, president of Ronalds-Reynolds and Company, Toronto, one of the top 10 Canadian advertising agencies. "There has been a change of management (in Ottawa), so we can expect a change of agencies."

Karpus's agency held business under the Liberal government of Pierre Trudeau, only to lose it when the Conservatives gained power. The lucrative tourism account has moved to Camp Associates of Toronto, a front-line Tory agency; also gone is the Government's media placement contract, which R-R shared equally with three other "Liberal" shops through Canadian Media Corporation, Toronto.

The recent switching of the media buying contract, said to be worth a C$1.5-2m a year fee, from CMC to Media Canada, Toronto, before Media Canada had even been incorporated as a company, brought the matter to a head. Media Canada is owned by solid supporters of Mulroney: Peter Simpson, an expatriate Scotsman, no longer involved in the advertising business, who spends much of his time in California running his film production company, and Roger Nantel, a Montreal-based public relations consultant.

In all probability nothing more would have been heard about the change had not Nantel told a reporter that his share of the profits would not "go to individuals, but will go to special events for the sake of the (Conservative) party."

This immediately had Liberal MPs jumping up in the House of Commons, alleging that "kickbacks" were involved and demanding an inquiry into the award of the contract to Media Canada. There had been no such request in 1980 after the Liberals fired Media Buying Services, Toronto, following their victory over Joe Clark's conservatives, and handing the job to CMC.

Nevertheless the minister responsible, Harvie Andre, agreed to call in the Royal Canadian Mounted Police to investigate the allegation. Andre said he would resign sooner than agree to any deal involving kickbacks. He denied there was any substance to the Liberal allegations. Nantel said he couldn't recall making the statement to the reporter who, he said, had probably made "an honest mistake."

Andre did offer some hope of a new direction in awarding advertising contracts during the parliamentary exchange. In future, he told the Commons, contracts would result from a scrutiny of presentations by at least three agencies.

Agencies with a high profile Liberal image are sceptical that they will in future be invited to pitch for the more profitable government accounts. And the multinationals will stay out in the cold, according to the ministry's director of communications, Norman Manchevsky.

"Everything I have seen to date suggests that we are going to stay with Canadian companies certainly for advertising within Canada. We have a home-made industry and my recommendation to the minister would be that we do not include the multinationals," says Manchevsky.

This stance angers the multinationals, 99 per cent of whose employees are Canadians. Julian Clopet, president of Ogilvy and Mather Canada, with a staff of 270 in three offices, calls the system "grossly unfair." O&M, Clopet says, has government business in other major countries round the world, including the UK, Australia, New Zealand and South Africa.

"Accounts should not be awarded on past favours, or according to which agency supported which party in an election drive," he says. "Ownership is an inadequate definition of nationality and largely irrelevant to good citizenship."

Ironically, the only open competition for government advertising is in Quebec, where the supra-nationalistic Parti Quebecois operates a point-count system based on professional criteria. This has led to multinationals winning provincial government business on merit. Clopet applauds the Quebec method. "It is exactly what we are advocating federally," he says.

True to his word, Andre did call for three presentations for the tourism account, the first major piece of business to be offered. All three agencies are well-known Tory supporters; Hayhurst Advertising, Toronto, handles the Canadian business of Saatchi and Saatchi; Foster Advertising, Toronto, is the major agency for the Conservative-controlled Ontario provincial government, and the winner, Camp Associates, is headed by Norman Atkins, who was chief advisor to Mulroney during the election campaign.

The advertising industry is waiting with interest to see who will be invited to pitch for other pieces of federal government business.

Enquire within

IF YOU need the name of a public relations firm in Newcastle or a creative advertising agency in Plymouth; to know how to locate a professional conference organiser or a door-to-door distribution company; or book an Oriental restaurant in London, or find out who won the Institute of Sales Promotion Golden Jubilee awards last year; or where to go if you lose your credit cards—the UK Marketing Handbook 1984-85 is at your service.

A ready reckoner, this compact guidebook around the marketing arena is at the very least a useful starting point for the busy businessman.

Published by Cape Press, this is the third edition. It costs £35 plus £2.25 postage and packing and is available from 100 St Martin's Lane, London WC2 (Tel 01-379 7399).

FMcE

The Cart Brothers

by Christopher Martin
illustrated by Eduardo Paolozzi

SO LONG AGO that we have lost count when, there lived in the village of Thorhallstead below mount Hjalti, an elderly ox-cart maker called Egill.

For some months past old Egill had not risen from his bed and now in his last hours he called for his two sons, Asmund and Arlund.

"My sons," he said. "I have built up the most respected and renowned ox-cart trade in all the Uplands. And now I hand it over to my two fine boys. But fine as you are, you are of very different minds. In business, each would drag the other down. So after long hours of thought, I have decided to divide my business equally. You will have half each to run and do with as you please."

"But before I die, pray heed these last words of warning. The world is changing. In your lifetime it will change faster than it has done in mine. One day something may come to replace the ox-cart, just as the spear was overtaken by the bow-and-arrow. Always be prepared for change." With these words, the old man died.

So now Thorhallstead could boast two ox-cart makers and as time went by the different personalities of the two sons began to be reflected in their businesses. Asmund continued to make

carts just as well as his father had done. He kept abreast of the times, improving and refining his carts, and painting them a different colour each year.

Arlund, on the other hand, decided to widen his interests. He acquired a small stake in a farm and pine forest (timber was by far the largest source of energy in those parts); and in the foundry that made his new iron wheels; the tannery that supplied the leather for his new upholstered, "de-luxe" ox-cart; and the spring-makers who were even now designing the springs that would be fitted to the first independently-sprung ox-cart in the world. (He had it on good authority). "Food, energy and transport," he would say, "mean that whatever happens in this crazy world, I shall be self-sufficient."

Then one day, news of a momentous invention reached the Uplands. A new mode of transport. "It is powered by a horse, not an ox," said the traveller who had brought the news. "And it has four wheels, not two, and is covered, not open. It's called a 'Horse and Carriage'."

As demand for ox-carts ended almost overnight, Asmund's works went into a steady decline. He had neither the resources nor the know-how to adapt quickly.

Arlund, on the other hand, leant heavily on the other arms of his business and was soon the leading, and indeed the only, 'horse and carriage' maker in the Uplands.

Years passed and Asmund had to come to work for Arlund to keep his family in food.

Arlund's business grew and grew as did the two fine boys that had come from a successful marriage to Helga, his childhood sweetheart.

Came the day that Arlund, now a tired and ailing old man, called his two sons to his death-bed. "Fine boys as you are," he

said, "in business each would drag the other down. So I have decided to divide my business equally. You will have half each to run and do with as you please. Before I die, pray heed these words of warning. The world is changing. It will change faster in your lifetime than it has in mine. One day something may come to replace the horse and carriage, just as *it* replaced the ox-cart. Always be prepared for change." With these words, the old man died.

VOLVO

TECHNOLOGY

EDITED BY ALAN CANE

AUTOMATED TECHNIQUES TAKE THE DRUDGERY OUT OF LABORATORY TESTS

Robot workers invade the labs

BY PETER MARSH

ROBOTS are making a determined bid to march into the unfamiliar domain of the food and chemical industry. Leading the foray is Zymark, a small American company that in a little over two years has installed 320 robot systems in this area of business, mainly for laboratory work in the U.S.

In Bri,tain, Taylor Hitec, a British designer of automation equipment, is putting the finishing touches to a plant for Beecham Pharmaceuticals in Worthing, Sussex. In it, industrial robots (computer-controlled arms) will load drugs in powder form into kegs.

Taylor Htiec has high hopes of installing similar systems for other pharmaceutical companies. It is talking to Biochemie, which is owned by Sandoz, the Swiss drugs company, about building a robot work-handling cell for a factory in Kundl, Austria.

Fisons, the British chemicals concern, is interested in developing its own robot for operation in laboratories. In work partly funded by the Department of Trade and Industry, the company has commissioned ERA Technology of Leatherhead to build a prototype of such a device.

The £40,000 project, which should be finished by the summer, could be followed by further studies leading to a product that Fisons could sell.

Only a tiny proportion of the 90,000 or so industrial robots in Western Europe, Japan and the U.S. work in laboratories or in the chemical and food industry.

But this picture is changing, for two main reasons. First, robots linked to automation systems can speed up a lot of straightforward laboratory work — analysis of chemical samples, for example — that for human workers is tiresome, repetitive and sometimes (due to the nature of the chemicals) dangerous.

Second, the replacement of human workers by robots can reduce quality-control problems for chemical companies. People (involved, perhaps, in loading bulk quantities of powders into containers) can introduce contaminants such as dirt and dust while the cleanliness and sterility of robots can be virtually guaranteed.

This point is underlined in the case of the three robots that Taylor Hitec is setting to work at the Beecham plant, a new facility that will turn out augmentin, an antibiotic.

The machines are conventional industrial robots, supplied by Fanuc of Japan. They will be clad in an "armour" of stainless steel that can be scrubbed clean. The robots will be responsible for a range of jobs in the final few stages of the manufacture of the drug.

Each device is in an independent cell which is adjacent to a storage vessel containing the antibiotic. The robots' main task is to channel the power into kegs of up to 30 kg that are later sent to distributors.

Under the control of a supervisory computer, each robot with its gripper will clip the kegs to a valve in the storage vessel and check the weight of the filled keg. In addition, the machines adjust ink-jet printing equipment which impregnates on the side of the container information such as the weight of the powder and manufacturing details.

Later, the devices will put lids on the kegs and lower the filled items on to a transfer mechanism that sends them to a warehouse.

The Fanuc machines will intermittently fill small stainless-steel sample trays that are *sent to laboratories for quality* checks.

The cost of automating the three cells came to about £750,000—of which the three robots accounted for roughly £60,000. The rest is accounted for by computer hardware and software and further equipment such as special "hands" for the robots.

Typical costs for the robot systems supplied by Zymark are £25,000 to £40,000, of which the robot arm accounts for £17,000. In these sets of hardware, the arm swivels between a range of equipment—it might, for example, load samples into weighing machines or into instruments that analyse substances chemically or by spectroscopy.

Kodak has 20 such systems, mainly in its laboratories in Rochester, New York. The hardware prepares chemical samples, for example for analysis by nuclear magnetic resonance.

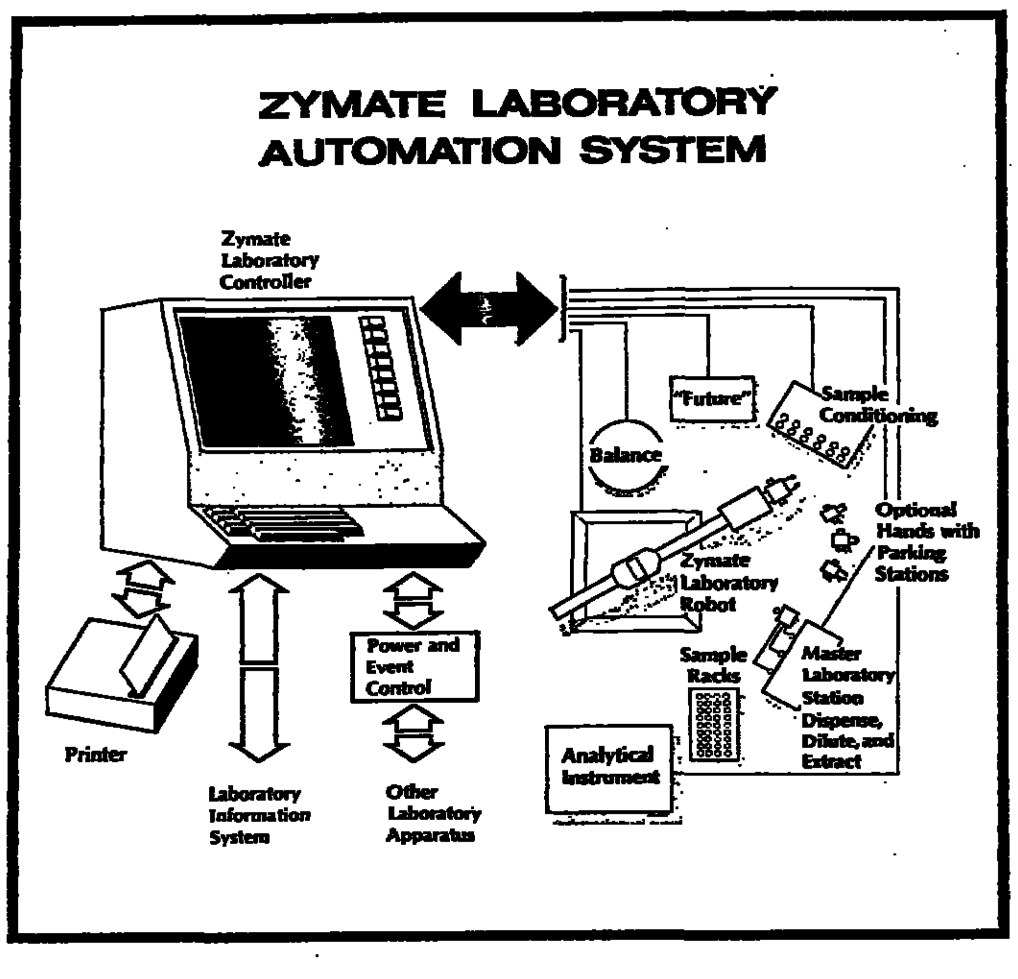
Dow has bought a similar number of robots from Zymark, for jobs such as tests for pesticides in laboratories in Midland, Michigan. Other customers in the U.S. include Merck, Du Pont, Johnson and Johnson and the pharmaceutical companies Miles and Abbott.

In Britain, where Zymark set up a sales office in Warrington, Cheshire, a year ago, the company has sold eight robot systems. G. D. Searle uses the equipment in drug analysis in laboratories in High Wycombe. Other users include ICI Pharmaceuticals at Alderly Edge, Cheshire, SKF (Welwyn) and Esso (Abingdon).

Lufthansa, the German airline, has ordered equipment from the company for analysing food served to passengers to check its freshness, while Britain's Severn Trent Water Authority has asked Zymark to specify hardware to help investigation into water purity.

Zymark, set up in Massachussetts in 1981 by Frank Zenie and Burleigh Hutchins, both of whom have backgrounds in the analytical instruments industry, has annual sales of about \$7m (£6.3m). The company has sold 35 robot systems in Western Europe in the past year and Gordon Johnston, managing director of Zymark's British *arm, says that sales prospects* are "fantastic." He expects to sell about 80 sets of hardware in Western Europe in the next 12 months.

A range of industries in Britain have joined a "club" sponsored by the Laboratory of the Government Chemist, a state-owned research organisation, that was set up last year to back the development of laboratory robots. Members include British Nuclear Fuels, BP, Glaxo, Unilever, Perkins Elmer, Shell, the Wellcome Foundation, English Clays, Pedigree Petfoods, Imperial Tobacco the Atomic Weapons Research Establishment at Aldermaston and ICI.



Monitoring

Electronic eyes under forecourts

BY THE first of September this year, Esso should have converted all its 100 or so wholly owned petrol stations to a form of electronic stock control *which could* point the way to completely unattended petrol deliveries.

At present, at each of the UK's 23,000 or so filling stations, an operator has to be on hand by law while petrol tankers fill up to four to seven 27,000 litres tanks under each forecourt.

Now Esso and the other big petrol companies are planning to use electronics to render the operator's role obsolete—even if the law is likely to insist that deliveries are attended for some time to come.

They are investing in a "black box" built by Normond Instruments, a company which specialises in tank contents monitoring and which is already a major supplier of analogue petrol station tank gauges.

The black box is a micro-processor-based logic device which accepts signals from Normond's electronic tank gauges and which can send them to a variety of devices — a visual display for example or the cashier's point of sale terminal.

Similarly, it can despatch the signal to a modem, a device which converts digital data into information which can be transmitted along a telephone line. So all the information about petrol stock can be sent instantaneously and automatically to the petrol company's head office while the tanker is discharging its contents. It makes close control of stock and regulation of losses from evaporation, leakage and theft easier to manage.

Information recorded by the device can be transmitted to data logging equipment. According to Mr Peter Norfolk, Normond managing director, when used in hydrocarbon based products, water detection can be incorporated allowing a site to monitor gradual build-up of water until a pre-set intolerable level is reached.

Which should be good news for drivers whose cars react badly to being filled with water contaminated fuel. Normond reckons it has a significant lead in tank monitoring; the U.S. has not been very active in this area because fuel has never been as expensive there.

Normond calls its black box the DG2. More on 01-940 7373.

Computers

Personal machines

LONDON-BASED, Cheetah has launched a range of three personal computers which are IBM compatible. Cheetah, which specialises in home computer peripherals and software, has ventured for the first time into the IBM compatibles market.

Each computer in the range has a basic memory of 256kb with options of floppy disks, hard disk and tape back up. Applications of the machine lie mainly in small business, corporate office, communications and administration. More details from Cheetah on 01 833 4909.

Software

Corporate computing

DIRECT TECHNOLOGY has launched a product called PC Automator. This is a software support system for corporate personal computer users. It can carry out tasks such as automating routine or tedious jobs in accounting or data entry, training new users, demonstrating other software and customising, word processors.

The package, which costs £245, has been on test since November last year. It is loaded alongside the operating system and learns how to control other programmes that run on the IBM personal computer and compatible machines. Direct Technology is based in London on 01-847 1666.

Plastics

Strong polymers

A FACTORY costing \$60m has been opened to manufacture a high strength polymer for applications in civil engineering, agriculture and horticulture.

Based in Atlanta, Georgia, the plant is a joint venture between Netlon of Blackburn in the UK and Gulf Canada in the U.S. Netlon developed the material which has strength comparable to that of mild steel.

Deaf aids

Better hearing

A NOVEL type of hearing aid has been developed which would give those with hearing impairments new quality to the sound they can pick up. Craigwell Electronics believes that it has overcome the problem with most aids which do little more than amplify sound.

Often this means that unwanted background noises are amplified along with wanted sounds, or, due to the wearer's own hearing problems, sound is so badly distorted that few comprehensible sounds can be picked up.

The basic idea behind the Craigwell aid is that it can improve the intelligibility of speech in noisy situations for a large percentage of those with hearing impairments. Figures for the number with hearing problems vary, but it is reckoned that at least 5 per cent of the UK population are sufferers and more than 1.5m people wear some form of hearing aid.

The new aid is applicable to 80 per cent of the sensorineurial deaf. These are people who are hard of hearing but whose problem is best illustrated by the person who does not hear when you talk to them quietly but the moment you shout says: "Do not shout, I am not deaf."

Craigwell's device is basically two hearing aids in one. One is designed to pick up vowels which have a frequency below 1.5 kHz and the second for consonants produced about 1.5 kHz. These two independent sound processing channels have their own preset controls tailored to the wearer.

The company has resorted to silicon chip technology to produce a device which is small enough to fit behind the ear. Even so, it is complex with more than 250 individual parts which means that it is very much at the top end of the market selling for about £500.

INFORMATION EXCHANGES

Building communications links

A SWITCHING system which only a year or two ago would have been called a telephone exchange but which is now bound to be called an "information exchange" has been introduced by Philips.

It is a key element in the big Philips drive to produce communications and switching systems, for wide and local area working, under the name Sophomation. An ambitious project, Sophomation aims at complete "transparency" so that any make of terminal or equipment, regardless of location, can be connected to any other.

The exchanges now being announced form the switching nodes in the recently announced Lloyds Bank International system which the bank is using to connect up its world-wide office network.

Known as Sopho S, the switching systems are being called "integrated business communications systems" by Philips. They are essentially digital switches, akin to a private automatic branch exchange (PABX), which will work over existing pair telephone lines and can be configured to meet any company's requirements with precision.

The first release of Sopho S is the model S2500, which can deal with 2,500 extensions, or up to 20,000 in multi-node systems. Later, smaller units will be offered with capacities down to 100 extensions (during 1986).

Sopho S2500 handles data and voice simultaneously over the same twisted pair telephone line and provides 64 kilobits/sec for voice and the same capacity for data.

The equipment follows the CCITT recommended "2B+D" standard (two information channels at 64kb/s plus two 8kb/s control channels). It is compatible with the ISDN (integrated services digital network) systems now being planned by telecommunications authorities in Europe.

The Sopho system is able to deal with computer data, text, image (facsimile) and voice. Protocol and speed conversion is carried out automatically so that different makes of equipment can be interconnected.

Says Mr Dick Kluiver, Philips' director for business communications systems: "Connecting different makes and types of equipment into a single integrated network protect the existing equipment."

Philips will tailor systems for voice and data, data only, voice only or any other combination, and will supply appropriate terminals. Philips in Hilversum is on 010 3135 899111.

Smart cards

Point of sale

ITALY's FIRST field trial of a point-of-sale payment system using the French "smart card" has been taking place in the Bormio area of the Italian Great Lakes region.

A regional bank, Credito Valtellinese, distributed 5,000 of the cards and has placed 35 *off-line POS terminals in* shops and hotels.

Dubbed "operation Tellcard," the trial is being monitored by Intematique, the international marketing arm of the French telecommunications authority, which is also laying the groundwork for future development of other smart card applications in Italy.

UK NEWS

Mineworkers may seek to reopen pay talks

BY JOHN LLOYD, INDUSTRIAL EDITOR

FURTHER SPLITS between the National Union of Mineworkers (NUM) and its Nottinghamshire, South Derbyshire and Leicestershire area emerged yesterday – as senior NUM leaders prepared to recommend an approach to the National Coal Board to reopen negotiations on the 5.2 per cent pay offer which has been outstanding over the past 18 months.

Mr Henry Richardson, the Notts area general secretary sacked by the area executive last week for his support of the strike in a solidly anti-strike area, won an injunction restraining the executive from dismissing him.

The order, which will remain in force until a full hearing of Mr Richardson's challenge to the legality of the sacking, was made gainst Mr Roy Lynk, the acting area secretary, Mr David Prendergast, an area official and Mr John Allen and John Allsopp, members of the executive.

Mr Richardson said after the hearing that his dismissal was a "purely vindictive act." He said: "I have evidence to show they intended to do it, whatever happened."

The Notts executive will today meet the executives of the Leicestershire and South Derbyshire areas to discuss a range of issues – all of which relate to their opposition to the national executive's policy.

Mr Lynk said last night that they would discuss the ballot vote proposed on the 50p levy on all NUM members to support the miners sacked for various offences during the strike.He said there was "strong feeling against subsidising men who had intimidated working miners."

A meeting of the NUM side of the joint negotiating committee – the body which normally negotiates with the NCB – met in Sheffield yesterday and agreed to recommend to the national executive that it approach the NCB for fresh wage talks soon. The next scheduled meeting of the executive is on March 28, but it may be brought forward to next week.

However, the Board's position remains that it will not negotiate until normal working is resumed – which means an end to the overtime ban.

● The NCB's Scottish area confirmed that more than 180 miners sacked for various offences would not be reinstated – in spite of comments by two Scots police chiefs that a reconsideration of their cases would ease tension in the coalfield.

Union may have to apologise

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

MR ARTHUR SCARGILL, president of the National Union of Mineworkers (NUM), would be unwise to assume that the success of the NUM's South Wales area in getting back sequestered funds without an apology from its leaders for breaking court orders is an indication that the national union could end its sequestration problems in the same way.

It is extremely unusual for the High Court to agree that a contempt of court has been cleared without an apology. Mr Justice Scott's decision in the South Wales case, and his view that an apology was not necessary is in no way binding on other judges.

It is important to note that he prefaced his decision to forego an apology with the words. "In the circumstances:"

Those circumstances included the fact that South Wales had obeyed the court since sequestration had been ordered.

The sequestration, the judge said, had served its purpose of securing South Wales' obedience.

The circumstances in the NUM sequestration are very different. The union's leaders have always maintained that, no matter what the courts may have said, they have always acted lawfully and in accordance with the union's rules.

Right up to the end of the strike they continued to treat it as official, in spite of court orders not to do so.

The union has attempted to thwart sequestration, first by transferring most of its funds abroad and then by fighting the sequestrators' moves to get the money back to the UK.

There is still no indication that sequestration has achieved its purpose of securing the NUM's obedience, and any move to end it would be likely to be met with charges by the sequestrators that the contempt was continuing.

Nor is sequestration the only obstacle to the union regaining control of its funds. Even if it were able to end the sequestration (with or without an apology) the funds would still be under the control of the receiver, and would remain so until the court was satisfied that the union could produce "fit and proper persons" as trustees to replace the receiver.

The working miners who instigated both sequestration and receivership are not likely to agree to the union's leaders getting back into the financial saddle without some clear indication of a change of attitude.

Mr Justice Nicholls, who ordered the sequestration, said that the NUM was in clear contempt, not only of two of his own orders, but also those made by four other High Court judges.

He spoke of the union's "wilful and repeated disobedience," of its "resolute defiance" and its view that "the law ... is applicable to others and not to itself."

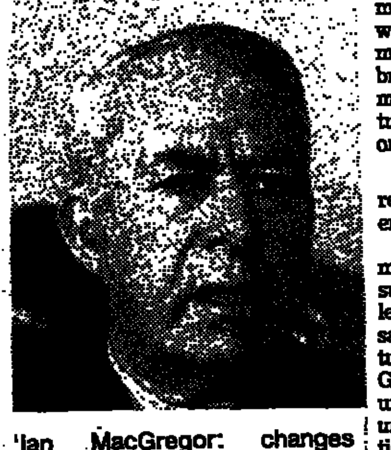
He might well feel – in the circumstances – that it would not be enough for the NUM simply to say "please may we have our money back."

Being in love may mean not having to say you are sorry; being in contempt is usually regarded somewhat differently.

John Lloyd reports on a new tempo in the coalfields

MacGregor ideas bring tougher management to the pits

THE INTENTION of the National Coal Board to reassert firmer control over its mineworkers than it had had before the strike is now obvious everywhere: a new tempo and style is emerging in pit after pit, area after area; and the managerial ideas of Mr Ian MacGregor, the NCB chairman, are now percolating through to local level.



Ian MacGregor: changes percolating to local level

The imposition of the management style differs; but some factors appear common to most parts of the country. Branch officials of the National Union of Mineworkers (NUM) are often finding that their union work, once virtually or actually full time jobs, is being restricted; that they are consulted little, if at all, on such issues as shift patterns on which they had expected to have an important say, and that many "custom and practice" agreements have gone.

In some cases – as in North Derbyshire – tight control appears to have stopped the widely anticipated incidents of violence between miners who went back to work early, and those who stayed out the strike to the last. Elsewhere, however – as in Kent, parts of Scotland, South Wales and Yorkshire – violence has occured, typically directed by "striking" against "working" miners.

Mr Paul Watson, the only NUM member to go to work at the board's phurnacite plant near Aberdare, has complained of intimidation and abuse since the strike ended. Last Friday, his wife was almost hit by a lump of concrete while returning from driving him to work. The NCB yesterday suspended five men from work at the plant for allegedly pouring oil over him as he showered after his shift.

In South Wales – perhaps because of the high feeling and the relative solidarity of the union – pit managements have been faced with relatively few problems which are now causing ructions in other areas. It is where a substantial number of miners returned early, and are now joined by a minority of strikers, that tension is most pronounced.

In Durham, Mr Ross Forbes, an area union official, says that pits such as Easington are experiencing few problems. However, at such pits as Vane Tempest, Westoe and the Hawthorn Complex, he says that management is taking advantage of its strength to impose a less consultative style, to change shift times and to cut back on union activity.

In North Derbyshire, Mr John Burrows, the area treasurer, says that consultation is less than it was – but that the union has been able to get a broad understanding with Mr Ken Moses, the area director, and that some of the effects experienced by other unions have not been felt.

In particular, Mr Moses has made it clear that he will not deal with representatives of the working miners, preferring to wait until the branch officials – all of whom remained on strike to the end – returned to take up their functions once more.

This has prevented the "double representation" problem which other areas – as Kent – are reporting.

However, at local level the new management style can shock old assumptions. Mr Dave Crowther, a leading activist at the Warsop pit, says that the new aggressive posture first hit home when Mr Peter Godwin, his manager, walked into a union committee meeting in the union office and began a conversation with one of those attending – "something he would never have done in the old days."

An important worry for the union officials is the fact that they have lost control of the "contracts" for sections of face work – deals on bonus payments which in the past were struck between managers and the NUM.

During the strike, however, individual "contracts" were struck. Under these, the bonuses agreed were not paid into the overall bonus rate paid to faceworkers in the area, on which the surface worker bonus was calculated. This, has depressed the level of relative earnings of surface workers, widening the gap between them and face workers – exactly what the NCB hoped would happen so that face workers would be more highly rewarded.

Mr Burrows, however, is optimistic. "It's a swing of the pendulum and the pendulum has swung towards the management. But it's already begun to swing back. Nothing is forever."

Heath tells of 'unkindest cut'

BY MARGARET VAN HATTEM

IT WAS Margaret Thatcher's champagne celebrations after ousting him from the party leadership that proved the unkindest cut of all, former Tory leader and Prime Minister Edward Heath confesses in a television profile to be shown on Saturday.

"I really do not think that is a relationship between colleagues," Mr Heath says. "It is something which Reggie Maudling and Enoch Powell and I would never have dreamt of for a moment. No, it is an indication of the different attitude, right from the very beginning."

Mr Heath admits he was also wounded by Mrs Thatcher's decision to challenge him without letting him know, and by the campaign she had conducted against him, with her supporters saying things that were "grossly untrue and completely unfair" in a "behind-the-scenes" media campaign.

"You can say I was simple, and was taken unawares, and I ought to have realised all these things." he goes on. "But I am afraid I had standards, having worked with colleagues for four years."

It was those standards, he suggests, that produced a loyalty within his own administration sadly lacking in that of his successor.

Mr Heath denies that he himself has been disloyal. "Loyalty is very important, but you have to decide what it is loyalty to. I think it is very important to be loyal to one's principles and to be loyal to what one understands to be the party's principles and policies as well. If those who are leading the party, or in positions of power in the party, or members of the Government depart from that, one is perfectly entitled to criticise them."

He also emphatically denies that his critical attitude to the Government stems from pique at having been defeated: "If I had really wanted to cause trouble, then we would have had much more fun."

Spur for Japanese licensing contracts

JAPANESE manufacturers are being encouraged to enter into licensing agreements with British companies in a move towards dressing the substantial trade imbalance between the UK and Japan.

The British Department of Trade and Industry and its Japanese equivalent, MITI, agree that such co-operation could be extended to benefit both countries.

□ AIRSHIP INDUSTRIES, the UK-based but largely Australian-owned airship manufacturer, is planning to use its Skyship 500 and other craft next winter for aerial advertising in the UK and elsewhere.

Aerial advertising was legalised in the UK last year, but the Skyship 500 became the first airship to advertise commercially when it flew over London advertising Swan Lager. Swan Brewery's parent company is Bond Corporation Holdings of Australia, which also owns 81.4 per cent of Airship Industries.

□ CAR TRAFFIC in Britain was 5 per cent higher last year than in 1983, Department of Transport figures show. Motor traffic overall was 4 per cent up and heavy and light goods traffic each up 4 per cent, while bus traffic rose by 1 per cent. Bicycle and motorcycle traffic fell by 2 per cent and 5 per cent respectively. Motorway traffic increased by 12 per cent and accounts for more than 12 per cent of all road traffic.

□ THE MERGER of the engineering steels businesses of British Steel Corporation and Guest Keen and Nettlefolds under the long discussed Phoenix 2 project is likely to go ahead this year, Sir Trevor Holdsworth, GKN's chairman, said.

"BSC and ourselves are at one," he said. The two groups were waiting for a final government decision. The idea behind the project is to modernise and slim down capacity in the sector, in which there is an estimated 30 per cent over-capacity.

□ PROSPECTS for a rescue of Readheads, the South Shields ship repair yard, look bleak after a rejection by Mr Norman Lamont, Minister of State for Industry, of any hope of government financial aid.

Mr Lamont, who a year ago praised Readheads as an example of how privatisation could be made to work, could only suggest that his department should help to find a buyer for the yard.

□ THE WELSH Development Agency has awarded a £2.3m contract to Fairclough Building for the construction of its "Techbase" complex for new-technology businesses at Cleppa Park, Newport, South Wales, near the M4 motorway.

The project, to be completed in 45 weeks, consists of one two-storey and two single-storey blocks in a campus, with provisions for such features as clean rooms and telecommunications circuits.

□ CRIME in England and Wales is rising, with robberies, killings and violent assaults on the increase, while police are clearing up fewer cases. Home Office figures show that reported crime rose by 8 per cent last year, while the number of offences cleared up by police was 1.2m: 35 per cent of the total, against 37 per cent in 1983. The number of offences directly connected with the miners' strike was very small, but robberies in the coalfield areas increased well above the national average.

□ TWO leading aluminium extruders have notified their customers of 7 per cent price increases next month. Century Aluminium, a subsidiary of Amari, is raising its prices on April 1 and British Alcan Aluminium, the market leader, on April 9.

Aluminium extrusions are used in applications, including window frames, sailboat masts, radiators and for making many industrial components.

□ A RECORD £269,500 was paid for a John Wootton painting at a Sotheby's auction.

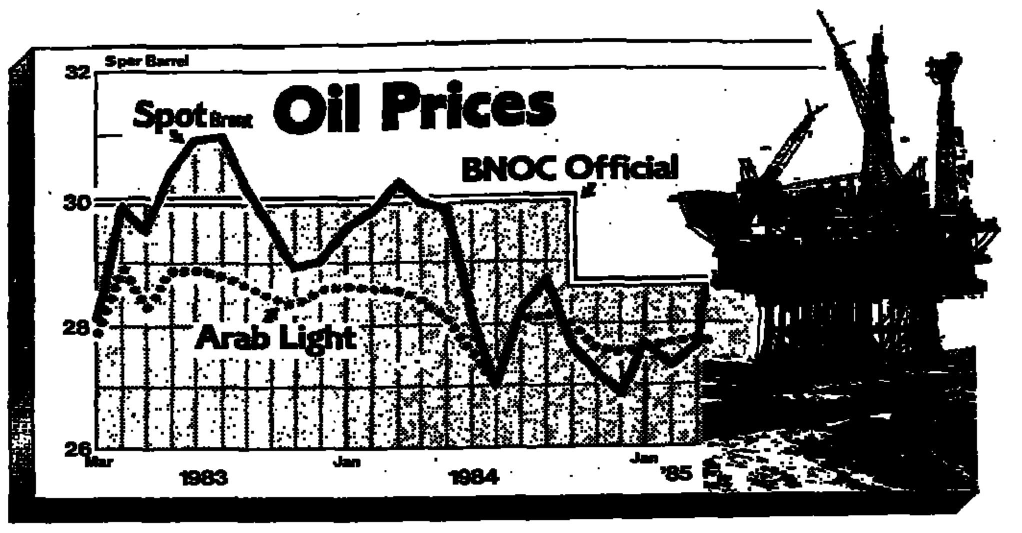
A private English collector bought the picture of a bay racehorse in the sale of British paintings, which made £1.6m overall. John Constable also featured in the sale with a portrait of the Lambert children with a pet donkey, which sold to another English collector for £242,000, and a small oil sketch for "Flatford Mill," which sold for £121,000.

□ INDUSTRIAL Cleaning Papers (ICP), a leading UK supplier of soft tissue products, is establishing a £1.5m paper converting factory and warehouse complex at Penygroes, Gwynedd, North Wales. ICP, based at Church Stretton, Shropshire, has been importing some 2,300 tonnes of converted paper products annually from the Fiskeby subsidiary of the Swedish KF group, for whom it has sole UK and Ireland distribution rights.

MARKET CHANGES HASTEN CORPORATION'S DEMISE

The sudden passing of BNOC

BY IAN HARGREAVES



BNOC IS dead. Long live Gopa. Somehow the Government Oil and Pipeline Agency does not have quite the same ring as the untidy acronym of the British National Oil Corporation, which has never been long out of the headlines since its creation by a Labour Government in 1976.

Although the end for BNOC came suddenly and without warning yesterday – officials of the corporation were given the news only yesterday morning – its death warrant was written last summer when the Government tried to use it to shore up prices in an oversupplied market; if not four years ago when the Thatcher Government decided to hive off BNOC's oil production interests in the flotation of Britoil.

BNOC was created in the days when the British Government was still learning about the oil business and suspicious of the activities of foreign oil companies. The Government was also conscious of the pattern that had emerged in other oil-producing countries, including members of the Organisation of Petroleum Exporting Countries (Opec): that of strong national oil companies determining the rate at which a national asset would be exploited.

The election of the Thatcher Government in 1979, however, on a platform of privatising state industry, made BNOC a certain early candidate for disposal.

There was an argument about whether the thing should be sold in its entirety, scrapping BNOC's trading and watchdog functions, but in the end Britoil was launched into the market, bearing the widest spread of North Sea acreage of any company in the business.

As it happens, the Britoil flotation was a flop and since then its shares have struggled to match the price at which the Government sold them – a victim of doubts about the company's management, its over-exposure to a high-cost production base and worries about the future of the Government's remaining 49 per cent stake in the company.

After the flotation, BNOC was left primarily as an oil trader – one of the biggest in the world. With the right to buy 51 per cent of all the oil produced in the North Sea, plus a management contract to sell royalty oil due to the Government, it had nominal access to 1.3m b/d of oil.

In its early days, up to the spring of 1983, BNOC established a good reputation as a canny operator in what was then a volatile but rising spot oil market after the Iranian revolution.

It soon became obvious, however, that running BNOC in a falling market was more difficult than running it in a rising market. Each quarter BNOC had to set prices, on the principle of "willing buyer, willing seller" both to its North Sea suppliers and to its customers – a wide range of refiners in Europe and the U.S.

That quarterly BNOC price became as much of a totem – and as much part of the international diplomacy of Opec – as Opec's own marker crude. As free market prices fell, the world's attention switched between Opec ministerial meetings of increasing frequency and the less public operations of BNOC and the UK Government, to try to guess in which direction the official powers would nudge the market.

Those pressures started to come to a head last summer. An Opec meeting in Geneva acted indecisively in the face of Opec production above the organisation's official production ceiling and the market was then further jolted by news that Saudi Arabia had undertaken a large oil-for-jets barter deal with Boeing, further adding to worries about oversupply.

In the spot market, the price of Brent Blend, the main North Sea crude, started to slide away from the $30-a-barrel set in March 1983. In July, Mr Alick Buchanan-Smith, the Energy Minister, wrote to oil companies in an unprecedentedly open attempt to persuade them to help to shore up the price of oil.

At the same time, an internal review of the future of BNOC, commissioned by Mr Nigel Lawson before he left the Energy Department to become Chancellor of the Exchequer after the May 1983 general election, landed on ministers' desks. Some of the civil servants who had worked on it had already concluded that BNOC was a useless tool in an oil glut. The Government was not ready for such a radical move, and Mr Peter Walker, the Energy Secretary, told the House of Commons that BNOC had been given a clean bill of health.

For a few weeks, it looked as if King Canute's words had been heeded. The spot market rallied briefly and ministers started to express in public the view to which they have adhered until the end of last week: that BNOC was capable of influencing the pace of change in oil prices, if not the actual direction.

The spot market rally was short-lived. By October, the spot price of Brent was approaching $27 and BNOC followed a Norwegian lead in cutting official prices – taking the BNOC Brent price to $28.65.

BNOC, with the backing of some oil companies, also at this point started to propose to the Government a switch from quarterly official prices to a more flexible, spot-related pricing system. The organisation could see that as its customers left, its very fabric was disintegrating.

All went quiet over Christmas as Opec, which had threatened Britain with a price war if it undercut Opec prices, went into two crisis sessions in Geneva. Those did not end until late January, when the organisation based a reconstructed oil price system pointedly around the empty $28.65 BNOC price – throwing down the gauntlet to Whitehall.

Hounded by the Commons Energy Committee about the political propriety of demanding public funds, in effect, to pay a premium price to highly profitable oil companies, ministers began to look as if they were preparing for retreat behind a carefully constructed stone-walling approach in public.

So it has turned out to be. The argument is that with spot prices now relatively, if perhaps briefly, strong after two months of cold weather and Opec discipline of production, there is unlikely to be a better moment for the British Government to get out of the business of trying to influence world oil prices. The important point, though, is that ministers, after the efforts – some would say the follies – of last summer and autumn, were ready to agree with the judgment that BNOC had become a busted flush.

A number of questions remain unanswered. The oil industry wants to know about the practicalities of scrapping the participation agreements that entitle BNOC to 51 per cent of the oil.

Few in the industry will mourn BNOC's passing. Indeed, the strongest argument for keeping it was that the Government needed its expertise to police the sophistications of the international oil companies. That task now will fall to Gopa.

BASE LENDING RATES

A.B.N. Bank	14 %	*Johnson Matthey Bkrs.*	14 %
Allied Irish Bank	14 %	Knowsley & Co. Ltd.	14½%
Henry Ansbacher	14 %	Lloyds Bank	14 %
Amro Bank	14 %	Edward Manson & Co.	15 %
Associates Cap. Corp.	14 %	Meghraj & Sons Ltd.	14 %
Banco de Bilbao	14 %	Midland Bank	14 %
Bank Hapoalim	14 %	■ *Morgan Grenfell*	14 %
BCCI	14 %	Mount Credit Corp. Ltd.	14 %
Bank of Ireland	14 %	National Bk. of Kuwait	14 %
Bank of Cyprus	14 %	National Girobank	14 %
Bank of India	14 %	National Westminster	14 %
Bank of Scotland	14 %	Northern Bank Ltd.	14 %
Banque Belge Ltd.	14 %	Norwich Gen. Trust	14 %
Barclays Bank	14 %	People's Tst. & Sv. Ltd.	15 %
Beneficial Trust Ltd.	15 %	Provincial Trust Ltd.	15 %
Brit. Bank of Mid. East	14 %	R. Raphael & Sons.	14 %
■ Brown Shipley	14 %	P. S. Refson	14 %
CL Bank Nederland	14 %	Roxburghe Guarantee	14½%
Canada Perm'nt Trust	14 %	Royal Bank of Scotland	14 %
Cayzer Ltd.	14 %	Royal Trust Co. Canada	14 %
Cedar Holdings	14 %	■ J. Henry Schroder Wagg	14 %
■ Charterhouse Japhet	14 %	Standard Chartered	‖14 %
Choulartons**		Trade Dev. Bank	14 %
Citibank NA	14 %	TCB	14 %
Citibank Savings	¶12¾%	Trustee Savings Bank	14 %
Clydesdale Bank	14 %	United Bank of Kuwait	14 %
C. E. Coates & Co. Ltd.	14½%	United Mizrahi Bank	14 %
Comm. Bk. N. East	14 %	Westpac Banking Corp.	14 %
Consolidated Credits	14 %	Whiteaway Laidlaw	14½%
Co-operative Bank	*14 %	Williams & Glyn's	14 %
The Cyprus Popular Bk.	14 %	Wintrust Secs. Ltd.	14 %
Dunbar & Co. Ltd.	14 %	Yorkshire Bank	14 %
Duncan Lawrie	14 %		
E. T. Trust	14½%		
Exeter Trust Ltd.	14½%		
First Nat. Fin. Corp.	15½ %		
First Nat. Secs. Ltd.	14½%		
■ Robert Fleming & Co.	14 %		
Robert Fraser & Ptns.	14½%		
Grindlays Bank	‡14 %		
■ Guinness Mahon	14 %		
■ Hambros Bank	14 %		
Heritable & Gen. Trust	14 ¶		
■ Hill Samuel	§14 %		
C. Hoare & Co.	†14 %		
Hong Kong & Shanghai	14 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 11%, 1 month 11.75%. Fixed rate 12 months £2,500 11.75%. £10,000 12 months 12.00%.
† 7-day deposits on sums of under £2,000 11%, £2,000 up to £10,000 12%, £10,000 up to £50,000 12¼%, £50,000 and over 12½%.
‡ Call deposits £1,000 and over 11%.
‖ 21-day deposits over £1,000 12½%.
¶ Mortgage base rate.
§ Demand deposits 11%.
** See Provincial Trust Ltd.

UK NEWS

Fees may be levied on radio frequencies

By Raymond Snoddy

THE GOVERNMENT is studying whether commercial fees should be charged for the use of radio frequencies.

Mr Geoffrey Pattie, Information Technology Minister, has asked CSP International, management consultants specialising in telecommunications, to carry out a feasibility study on pricing the radio spectrum.

The first part of the study, which will take six months, will look at all forms of radio communication between fixed points *such as microwave towers.*

The main organisations affected by this stage of the study will be British Telecom and Mercury Communications, the BBC and the Independent Broadcasting Authority. Industrial companies such as BL use fixed-link radio communications as do both the police and the military.

The Government is interested in commercialising the radio spectrum as a means of raising revenue and of allocating a scare resource more efficiently.

A second part of the study will consider all other areas of spectrum use, including private mobile radio, broadcasting, citizens band (CB) radio, emergency services and other *specialised needs.*

Mr Pattie says the Government wants the whole issue to be investigated for two main reasons.

He said: "The first is whether there are any benefits to be had from bringing market forces and the price mechanism to the area of spectrum management. The second is whether this is technically and administratively feasible within a regulatory framework."

The Government points out that demand for the radio spectrum is growing rapidly because of new services such as radio pagers and cellular radio telephones. In some cases demand is exceeding supply.

The Merriman report into the use of the radio spectrum said it was a good idea to make people more aware of the value of the resource they were using.

The report added, however, that it might be impractical to create a free market in the spectrum because of *international regulation* and the extensive government use of radio frequencies, particularly by the Ministry of Defence.

● Independent television companies *(ITV) may emerge practically* unscathed from a Government inquiry into how ITV is taxed and the effects of special taxes on efficiency.

A Home Office/Treasury committee, it is believed, will recommend to ministers only a modest change in the existing system.

Government may face legal action over drug cuts

BY TONY JACKSON

ABOUT 20 pharmaceutical companies in the UK are contemplating legal action against the Government over proposed restrictions in the list of drugs which can be prescribed under the National Health Service (NHS).

The Association of the British Pharmaceutical Industry (ABPI) said: "A number of our companies are taking legal opinions on possible discrimination in terms both of UK and EEC law."

The controversial restricted list of drugs, which aims to cut up to £75m from NHS costs, is to be debated in Parliament next Monday. The proposals have met with a hostile reception from the drug industry, the *medical* profession and some opposition MPs.

The ABPI argues that the way in which some branded drugs have been blacklisted, while other equivalent *drugs have not, could* be in breach of the Treaty of Rome. The Department of Health and Social Security (DHSS) yesterday confirmed that it had received a letter from the European Commission on the topic, but refused to give details on grounds of confidentiality.

It appears, however, that the letter touched on Article 30 of the Treaty, which forbids measures which might have a distorting effect on trade.

The association said that there were *inconsistencies and inaccuracies* in the new restricted list of drugs. It thought that this showed evidence of undue haste on the part of the DHSS. In particular, it was claimed, there were unintentional discrepancies between the lists for Scotland and for England and Wales.

"MPs will be asked to vote on Monday on legislation which is admitted to be flawed," the ABPI said.

The association also claimed that the limited list proposals were part of a general attempt by the Government to privatise community health care, along with recent measures such as the deregulation of opticians and the increases in dental and other health prescription charges.

Government simplifies small-company aid

BY WILLIAM DAWKINS

THE GOVERNMENT will announce by the beginning of next month a far-reaching shake-up of an assortment of schemes to help small businesses.

It will condense and simplify the *84 schemes handled by the Department* of Trade and Industry (DT) into four packages, covering investment, innovation, exports and advice.

The move has taken 18 months to prepare and has been co-ordinated by Mr David Trippier, the small firms' minister, who describes it as an attempt to create a more "user friendly service."

The DTI will be publishing a simplified application form for the small business schemes under its control, in line with the Government's policy of cutting bureaucracy. There will be seven regional inquiry points operating through the existing Small Firms' Service (SFS), which itself is undergoing a shake-up to enable it to give more *specialist advice.*

The SFS's counselling service has doubled in size since Mr Trippier took office in June 1983, so that it now numbers just over 260 small company advisers. They have tended to offer broad theoretical advice, but from now on will increasingly concentrate on practical specialist areas such as finance, marketing or production.

In a separate move Mr Trippier plans to visit Washington and California in July to meet small firms' organisations and study local venture *capital markets.* This follows the recent visit to Washington by Mrs Margaret Thatcher, Prime Minister. She was said to be impressed by the contribution of small businesses in the provision of jobs.

Mr Trippier shares Mrs Thatcher's eagerness to learn from the U.S. experience and is planning to visit the Small Business Administration in Washington and the Brooking Institute statistical centre, which has advised the U.S. Government on small business policy.

The DTI's initiatives are separate from those at present being drawn up by an inter-departmental scrutiny committee which expects to make public shortly its proposals for cutting the government bu*reaucracy experienced by small* companies.

That is likely to be followed in mid-April by the conclusions of a working party into cultivating the growth of small businesses. This group is chaired by Lord Young, minister with special responsibility for job creation.

Ministry urged to insure satellites

By Peter Marsh

A GROUP of City of London financial organisations is trying to persuade the Government to break with precedent and insure against loss or damage *two Ministry* of Defence (MoD) satellites due to enter orbit next year.

One possibility being discussed is that a private company might take legal ownership of the satellites, to be used for military communications, and lease the vehicles back to the MoD.

The London organisations believe that this would enable the private company *to* arrange *the* insurance, permitting the Government to maintain its general policy of not insuring property or equipment owned by the taxpayer.

MoD officials with which the London group has discussed the venture have been lukewarm about the suggestion of insurance.

The organisations have been formally rebuffed in a letter from Mr Adam Butler, the junior minister responsible for defence procurement, who said he could see no convincing reason for insuring the spacecraft, members of the Skynet series.

The London group, including insurance brokers Jardine Glanvill *and* Willis Faber and merchant bankers Hill Samuel, argues that insurance would safeguard the interests of the taxpayer in allowing for a relaunch of a new satellite should either of the Skynet craft fail to enter the correct orbit.

According to Mr Mark Raggett, an insurance broker with Jardine Glanvill, the group plans to present its case afresh to Mr Michael Heseltine, the Defence Secretary, in the next few weeks.

The cost of building the two satellites and placing them in orbit is about £200m. To insure the craft at current market rates would cost £20m–£30m.

The vehicles are *to* be launched on separate flights by U.S. space shuttles, which over the past couple of years have had a patchy record at putting satellites into the correct orbit.

If the satellites were to be formally operated by a private company, the financial organisations say they could arrange a leasing deal for the Government.

That would provide for payments for operating the craft to be phased over several years, so easing the strain on public finances.

Under Treasury guidelines, the Government rarely insures any of its property, arguing that the cost of premiums would be greater than that of replacing damaged or destroyed equipment or buildings.

The MoD does, however, arrange third-party insurance to cover loss or damage caused by staff cars, tanks that use public roads and aircraft that take part in flying displays.

Mr Raggett said the London group wanted to give the Government a chance to operate its sat*ellite* policy *taking* account of conventional commercial realities.

"Britain is not so big that it can afford to run the risk of the *satellites dropping out of the sky* without taking proper provision to replace them."

Scrap metal industry resists the call for curbs on exports

After a year of high profits fed by expanding overseas markets Lorne Barling finds the UK scrap industry unsympathetic to British Steel's case for restraint on exports.

AFTER a year in which UK ferrous scrap prices have soared, there was more than a sprinkling of new Jaguars and Rolls-Royces outside this week's Mid-West Scrap Association meeting at an hotel near Birmingham, in the West Midlands.

Although officials denied that excessive profits had been made recently, high prices and rapidly increasing exports have certainly helped. "It's been a year of plenty after the famine," said Mr Tony Bird, *the association's president.*

The price of ferrous scrap has almost trebled in the past two years to about £85 a tonne for top quality material, much to the discomfort of the British Steel Corporation (BSC) and other users, such as foundries.

In an effort to contain costs, BSC has called on the Government to impose restrictions on the export of scrap – a move which is being strongly opposed by the *British* Scrap Federation and its members. It is argued that such a measure would soon prove damaging to BSC since it would reduce the collection *of scrap in Britain* and lead to even higher prices and possibly shortages.

It is also pointed out that the UK scrap industry earned £300m in foreign currency last year from record exports of 4.3m tonnes, and more than £100m was *invested* in new handling and processing equipment.

One of the main reasons for the rise in the price of scrap, according to Mr Bird, has been the strength of the dollar, since the U.S. is the world's largest exporter and dominates the market in what is an internationally traded commodity.

European steelmakers, it is claimed, are paying about 15 per cent more than UK consumers for their scrap, and are not suffering *unduly as a result. Moreover, their* scrap industries are said to be supported by subsidies.

Another argument being used against export restrictions – which were first imposed in 1939 as a war measure and only lifted about seven years ago – is that the UK steel industry can consume only about half the 10m tonnes of scrap recovered in Britain each year.

"We were forced into a major exporting programme, and found many dockside facilities to be archaic and unsuitable. We have since invested a great deal in modernising these facilities, helped by the British Transport Docks Board," Mr Bird said.

A total ban on exports of EEC scrap would be the only measure to *achieve a drop in prices,* but Mr Bird pointed out that this would hit the UK harder than other member countries, since 70 per cent of European exports originated in Britain.

Some of these arguments are accepted by BSC and the British steel industry, but it is now believed that changing market conditions will gradually reduce scrap prices.

Mr Bob Scholey, chief executive of BSC, told the meeting he believed that prices were past their peak, a view shared by Mr Bird. The end of the miners' strike had helped in two ways – first by its effect on sterling, and second by restarting the *flow* of scrap from the mines at the rate of about 250,000 tonnes a year.

The warmer weather is also expected to reduce *transport costs* from North America, and there is, in any case, a seasonal fall in prices at this time of the year. Any reduction in the dollar's value would have *a similar effect.*

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1978=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unemployed	Vacs.
1983							
4th qtr.	103.5	96.1	100	109.9	151.4	2,941	162.0
1984							
1st qtr.	104.0	98.9	102	109.0	123.5	2,998	147.0
2nd qtr.	101.8	99.7	108	111.6	130.7	3,026	154.0
3rd qtr.	102.1	101.0	106	112.5	133.8	3,076	165.1
4th qtr.	103.2	101.0		115.1	164.0	3,103	166.5
September	102.8	101.4	116	114.3	134.3	3,096	170.0
October	102.9	100.5	106	113.6	140.3	3,100	170.5
November	103.3	101.2	100	114.4	150.2	3,102	167.6
December	103.4	101.2		117.0	194.1	3,108	161.3
1985							
January				112.8	135.4	3,128	157.2
February				113.9		3,148	156.1

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1983							
4th qtr.	101.0	93.8	110.0	96.2	108.8	97.4	15.9
1984							
1st qtr.	100.2	93.7	110.5	96.0	113.4	95.6	16.5
2nd qtr.	101.4	95.2	105.2	97.6	106.0	96.9	17.8
3rd qtr.	102.1	95.4	104.7	99.5	108.1	97.0	16.3
4th qtr.	102.7	95.8	106.8	98.4	105.9	97.8	
July	102.0	96.0	104.0	98.0	107.0	97.0	18.3
August	102.0	97.0	104.0	100.0	111.0	97.0	15.5
September	103.0	97.0	105.0	100.0	109.0	96.0	15.0
October	102.0	96.0	106.0	99.0	106.0	97.0	15.7
November	103.0	97.0	107.0	99.0	108.0	98.0	13.9
December	103.0	95.0	108.0	98.0	104.0	99.0	8.5

EXTERNAL TRADE—Indices of export and import volume (1980=100); viable balance; current balance (£m); oil balance (£m); terms of trade (1980=100); excluding reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1983							
4th qtr.	107.3	112.9	−221	+350	+2,099	97.7	17.82
1984							
1st qtr.	108.7	112.1	− 57	+521	+2,222	97.3	16.75
2nd qtr.	107.3	117.1	−1,228	−310	+1,543	96.9	15.51
3rd qtr.	108.0	119.8	−1,643	−533	+1,804	96.7	15.26
4th qtr.	117.5	126.1	−1,327	+401	+1,468	96.1	15.52
August	112.4	124.1	−591	−221	+426	96.8	15.35
September	108.5	126.9	−887	−517	+577	96.7	15.26
October	115.4	131.2	−807	+121	+373	96.4	15.35
November	118.0	120.8	−177	+223	+352	95.9	15.50
December	119.2	126.2	−344	+ 56	+743	96.0	15.69
1985							
January	116.5	118.2	− 76	+324	+928	96.0	15.52
February							15.25

FINANCIAL—Money supply M0, M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); building societies' net inflow; HP, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M0 %	M1 %	M3 %	Bank advances %	BS inflow £m	HP lending £m	Base rate %
1983							
4th qtr.	7.9	10.4	8.8	18.9	2,745	2,774	9.00
1984							
1st qtr.	4.1	10.1	8.2	13.6	2,609	2,868	8.50
2nd qtr.	4.6	24.5	11.1	18.9	1,795	2,879	9.25
3rd qtr.	5.3	10.2	6.2	9.9	1,628	2,909	10.50
4th qtr.	9.6	24.3	13.4	16.9	2,492	2,941	9.63
August	4.6	11.4	7.1	11.0	133	939	10.50
September	4.4	7.8	4.0	2.4	887	891	10.50
October	6.7	18.5	9.6	11.4	1,125	1,003	10.50
November	9.9	27.3	18.6	17.1	363	967	9.63
December	12.2	27.2	12.1	22.4	1,004	971	9.63
1985							
January	5.0	9.4	14.0	16.2	823	1,164	14.00
February					474		14.00

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1983							
4th qtr.	153.2	128.4	126.7	341.8	316.4	298.50	83.2
1984							
1st qtr.	153.6	133.6	129.0	343.9	321.7	308.67	81.7
2nd qtr.	155.9	134.3	132.0	350.9	329.1	305.06	79.8
3rd qtr.	159.6	134.1	132.8	353.9	326.8	288.95	78.0
4th qtr.	164.1	140.1	134.3	358.3	326.8	289.64	74.1
August	159.2	133.2	132.6	354.8	326.9	294.18	78.4
September	159.9	135.2	133.3	355.5	324.9	288.95	77.2
October	164.2	137.9	133.9	357.7	326.2	292.40	75.6
November	162.8	139.2	134.3	358.8	326.6	289.89	75.7
December	165.2	143.4	134.9	358.5	327.6	289.64	74.1
1985							
January		145.3	135.9	359.8	330.6	296.98	71.5
February		147.0	136.6			295.72	71.2

* Not seasonally adjusted.

Royal family to get £7.5m train

FINANCIAL TIMES REPORTER

A NEW royal train designed to withstand rockets, bombs and machinegun fire has been ordered by the Government at a cost of £7.5m.

It will have 14 coaches, one carrying security devices for armed guards. The present royal train uses coaches up to 44 years old which cannot be towed by high-speed locomotives.

The plan was criticised in the House of Commons by Mr Peter Snape, the opposition Labour Party's transport spokesman. He said: "There are many sections of British Rail that could do with £7.5m worth of investment."

Mr Willie Hamilton, the anti-monarchist MP, said the royal train should be scrapped altogether. "It is hardly used at all."

*Dr David Mitchell, Under-Secre*tary of State for Transport, said the present coaches did not "meet current operational and security requirements." Many of the coaches also contained asbestos, now recognised as a health hazard, he added.

Buckingham Palace officials said the new train could recover its costs in a few years since the royal family would not be using hotels needing large-scale security operations.

Security for the royal family was *stepped up by the Government af*ter Irish terrorists murdered Lord Mountbatten in 1979.

Peter Riddell considers veteran MPs' reservations

Quality put to the test

IS THE quality of MPs declining? That question has been posed about every new generation of MPs but the feeling is now widespread among MPs, and particularly the Whips (party managers) who are paid to watch them, that the nearly 150 members of all parties elected in June 1983 do not, as a whole, match their predecessors in their contribution to Westminster.

Rising stars do exist, but they are fewer by comparison with the 1979 intake and there are more, relatively, who have made *little* impact.

Such judgments represent a tricky area, full of highly subjective assessments and illusory memories of a previous golden age. Nevertheless, the sceptics can point to a more limited number of MPs having the breadth of knowledge and experience on important policy issues.

For instance, the poor attendance during last week's debate on public expenditure was typical of the lack of interest in economic affairs of most new members. The focus tends instead to be more local, if not parochial.

The criticism is that recent pressures have encouraged more MPs of a primarily local background and fewer with experience of national or international affairs. There are *now many more members, of all* parties, who have served as leaders of local councils.

Among Tory MPs, however, prominent local leaders such as Mr Michael Knowles, Mr Derek Conway and Mr Christopher Chope, have, for all their past achievements, made little impact at Westminster.

On the Tory side, the combination of rushed boundary changes in *1983 and fear of the SPD-Liberal Al*liance seems to have worked against the adoption of London-based, professionally qualified candidates, regarded by some as carpetbaggers, who would often have been picked before.

THE 100 Tory MPs first elected to Parliament in 1983 share 54 company directorships and 30 outside consultancies between them.

That is shown by the register of members' interests, published yesterday, which provides a list, *annually updated,* of MPs' directorships, consultancies, trades and professions, financial sponsorships, overseas visits, land and property and shareholdings equivalent to more than 1 per cent of a company's issued shared capital.

There is, however, no breakdown of the size of MPs incomes from any of those interests or the extent of their shareholdings.

As before, Mr Enoch Powell, Official Unionist MP for South Down, has not declared his interests.

Of the 30 consultancies from outside companies 15 have been added in the past year. That reflects the value to the organisations of having an MP as a consultant.

The extent of the landslide has also brought in as MPs people who never expected to be members and who have in quite a few cases floundered. An experienced lawyer such as Mr Michael Howard or a clever diplomat such as Mr George Walden stand out as exceptions.

The changes on the Labour side have been different, reflecting the impact of the problems many MPs have faced in reselection as parliamentary candidates by their local parties. This has been coupled with a suspicion of metropolitan connections which have been associated, with some justice, with many of the 1981 defectors from Labour to the SDP.

Several new Labour MPs with such a local background have admittedly made a contribution to important debates. They include Mr Derek Fatchett and Mr Kevin Bar*ron, as well as more conventional* members with professional backgrounds such as Mr Tony Blair, Mr Gordon Brown, Mr John Marek and Mr Mark Fisher.

Paradoxically, the MPs with theoretically the best qualifications for Westminster, the eight members who previously served in the European Assembly at Strasbourg, have been among those making the *least impact, often being rather* verbose. On the Labour side only Mrs Ann Clwyd, has made a mark, as a persistent questioner, while among the Tory ex-MEPs, only Mr Robert Jackson crops up in talk about possible candidates for promotion.

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COMMERCIAL MANAGER

c. £18,000 + car Croydon

Bowater Containers Limited is a large subsidiary of Bowater Industries plc. The Company has a regional structure and the position based in Croydon forms part of the senior management team that controls the South East businesses.

The role is an enhanced controllership and whilst being able to manage a sizeable and already effective accounting function, he/she will be expected to make a significant contribution to the profitable success of the business.

Working closely with the Regional Director, to whom the position reports, the Commercial Manager will be a prime mover in providing financial and business analysis which is key to the longer term success of the business.

Applicants should be qualified accountants, ideally with some experience of management accounting in an industrial environment. Commercial astuteness, sound management skills and the stature to be accepted as a senior member of the management team are essential requirements.
Age guidelines: 28-40 years.

Please send c.v. to:

K. C. Collins
Personnel Services Manager
BOWATER CONTAINERS LIMITED
Saffron Ground
Ditchmore Lane
Stevenage, SG1 3LD

A direct line to the executive shortlist

InterExec is *the* organisation specialising in the confidential promotion of Senior Executives.

InterExec clients do not need to find vacancies or apply for appointments.

InterExec's qualified specialist staff, and access to over 100 unadvertised vacancies per week, enable new appointments at senior levels to be achieved rapidly, effectively and confidentially.

For a mutually exploratory meeting telephone: **InterExec**

London	01-930 5041/8	19 Charing Cross Rd, W.C.2.
Birmingham	021-632 5648	The Rotunda, New St.
Bristol	0272 277315	30 Baldwin St.
Edinburgh	031-226 5680	47a George St.
Glasgow	041-332 3672	180 Hope St.
Leeds	0532 450243	12 St. Paul's St.
Manchester	061-236 8409	Faulkner Hse, Faulkner St.

The one who stands out

FINANCIAL SYSTEMS

A highly self-motivated person is required in a small, expanding company for a demanding position. Exposure to computerised systems desirable but less essential than a background in banking and/or accountancy. Flexible remuneration package with realistic base salary may include company car, profit bonus and individual pension scheme.

*Reply to Box A.8930, Financial Times
10 Cannon Street, London EC4P 4BY*

هكذا من الأصل

Accountancy Appointments

Economist

The Chase Manhattan Bank wishes to appoint a suitably qualified young economist to join its London based Economics Group working under the direction of Professor Geoffrey Maynard, Director of Economics, Europe and the Middle East. The person appointed will have a particular interest in money and foreign currency market analysis, but will also be expected to participate in the general economic appraisal and intelligence work of the Group, including country risk analysis.

Applicants should preferably be in their 20's. They should be well qualified in economics generally and have been trained in quantitative methods of analysis. Ideally they should have had relevant experience in money market analysis and be acquainted with the working of monetary institutions in the UK and elsewhere, but recently graduated economists are not excluded from applying. Knowledge of a second European language would be a substantial advantage.

The post carries with it an attractive salary and other benefits consistent with an important role in a major International Bank.

Apply in writing, giving full details of qualifications and experience, and names of referees who may be consulted, to: Professor Geoffrey Maynard, Director of Economics, Europe & Middle East, The Chase Manhattan Bank NA, Woolgate House, Coleman Street, London EC2P 2HD.

CHASE

INVESTMENT MANAGEMENT

We are a small investment team with a rapidly expanding asset base specialising in global management principally for North American clients.

We are looking for a person up to 35 with a minimum of two "A" levels to join the investment team. All applicants should have some investment experience. The successful candidate will eventually be expected to cover all major world markets and to be knowledgeable about all administrative functions. Compensation will depend on experience.

Write in confidence with your c.v. to Box A8936, Financial Times, 10 Cannon Street, London EC4P 4BY

SHIPPING CONSULTANCY

SHIPPING ECONOMICS ADVISORY GROUP (SEA GROUP)

the consultancy arm of Lloyd's of London Press Ltd. requires additional ANALYSTS AND CONSULTANTS to assist in developing this fast-growing organisation

These appointments, which are London-based, involve liaison with executives from all areas of shipping and associated industries. Each position will involve spending time in providing private consultancy for individual clients as well as specific multi-client projects.

It is not necessary to have previous consultancy experience but candidates should have a track record of business development, planning or market research in shipping or allied industries. Statistical or econometric experience or qualifications would also be of benefit.

Applications in writing to:

Mr. W. J. Harding
Personnel Department
LLOYD'S OF LONDON PRESS LTD.
Sheepen Place, Colchester, Essex CO3 3LP
Telephone: 0206 69222 ext. 212

BOND TRADERS & SALES

You are probably too busy to think and plan your next career move, possibly even too busy (or exposed) to answer this Ad during the day. We are consistently looking for successful people such as you to take advantage of opportunities in the Bond markets *either as an individual or as a team.*

If you would welcome an informal and confidential discussion call one of the following numbers at your convenience:
01-588 2580 (day) 0859 62462 (8-10 pm and weekends)

or write to:—

THE ROGER PARKER ORGANISATION
65 London Wall, London EC2 5TU.

STOCKBROKING FINANCIAL SERVICES

MARKETING AND ADMINISTRATIVE ASSISTANT

Old established firm of stockbrokers seeks an experienced person to back up its team of financial planning Consultants. The ideal candidate will have a good knowledge of unit linked and conventional life assurance also the basic structure of personal tax and pensions. An interest in investment would be an advantage.

Salary and terms will reflect the importance of this appointment.

Write or telephone: J. R. Sydenham,
Brewin Financial Services,
5 Giltspur Street, London EC1A 9DE. 01-248 4400

DEPOSIT DEALERS

A leading international company are looking for young Deposit Brokers preferably with some experience to work primarily with their yen section.

Please reply, together with curriculum vitae, to Box A.8931, Financial Times 10 Cannon Street, London EC4P 4BY

SHIPOWNERS THIRD PARTY LIABILITY INSURANCE
GRADUATE LAWYER

A vacancy exists for a qualified lawyer (barrister or solicitor) aged between 24 and 30 with a good U.K. university degree to join a firm of managers of a shipowners' mutual protection and indemnity insurance association. Pupillage in maritime chambers or experience in a firm of shipping solicitors would be a great asset. (Upper age flexible and those with first class specialised work experience at executive level but lacking legal qualifications would be considered.)

Salary negotiable. Benefits include P.P.P., pension scheme.

Write with full curriculum vitae to: Miss Felicity Grey, Charles Taylor & Co., International House, 1, St. Katharine's Way, London E1 9UN.

Leading city merchant bankers are seeking professional people 25-30 for the following:—

1) SPOT TRADER £20k 2) DEPOSIT DEALER £21k
3) C.D. FUTURE TRADER £20k

All vacancies inc 5% Mort Sub

Phone for Appointment: 01-588 1351 Chris Manley
Abbey Appointments

AT A CAREER CROSSROADS?

We require executives preferably in their 40s with a background in industry, commerce or the professions, to be trained to offer a wide range of financial services to businesses, professional intermediaries and individuals. Income is not limited and benefits are provided.

Write to:

M. J. Talbot, HILL SAMUEL INVESTMENT SERVICES LTD.
50 Pall Mall, London SW1Y 5JQ, *or telephone* 01-839 1012

MANAGEMENT ACCOUNTING/ SYSTEMS DEVELOPMENT

Newcastle upon Tyne — £13,500+

The Client, manufacturers of specialised engineering products for worldwide industrial engineering and naval applications, is an autonomous division of a *major multi- national engineering group. Reporting to the Financial Controller,* the successful candidate will be responsible for the development of computerised manufacturing control systems, improving the existing *computerised job costing* system, the provision of *monthly management* accounts and periodic planning, as well as routine accounting. Aged 28-33, the ideal candidate would be qualified ACMA/ACCA with experience of systems *development in financial and production control areas and have the ability to* communicate with non-accounting personnel. A competitive salary, including a contributory pension scheme, 25 days holiday and excellent promotion prospects within the *group are offered to the right person.*

Job Ref: KW 092

For confidential application form, please telephone Ken Wilson on Newcastle *(STD 0632) 323932*, or forward comprehensive *CV to Vine House*, Vine Lane, Newcastle upon Tyne, NE1 7PU.

NORTHERN RECRUITMENT GROUP
ACCOUNTANCY APPOINTMENTS

UK Financial Controller

Middlesex — c£17,000

Our client is a progressive international company specialising in research, design and construction for the offshore oil industry.

A Financial Controller is currently sought to take responsibility for the three autonomous UK subsidiaries, specialising in oil services and engineering.

Reporting to the Managing Director and functionally to the European Group Financial Controller, the role will include the supervision of the UK financial activities, with particular emphasis on the implementation and establishment of reporting systems and procedures.

A qualified **Chartered Accountant,** ideally **aged 26-28,** you should have gained relevant post qualification experience in either the profession or industry. A high level of personal performance and initiative are essential in order to meet the demands of this challenging career opportunity within the oil services sector.

Interested applicants should contact Tony Martin on 01-242 0965, or write to him, enclosing a comprehensive c.v., quoting ref SV1002, at 31 Southampton Row, London WC1B 5HY.

MP
Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

COMPANY SECRETARY – TRAVEL AGENCY CHAIN

MANCHESTER — NEG. *c.* £15,000 + CAR ETC.

Our client is a 25 branch subsidiary of a major group based broadly within the travel business. The Company turnover is £15m p.a., and all accounting and administration is conducted centrally from Manchester.

We are seeking a qualified Accountant, probably aged 30–40 who can demonstrate a history of successful financial management within the Travel Agency sphere, utilising fully computerised systems.

Reporting through the General Manager to the Board, the successful candidate will head a team of 11. Responsibilities will include normal secretarial and accounting functions, including periodic accounts for both local and group management. Significant emphasis is placed on treasury management and *compliance with IATA, ABTA and CAA regulation. There* is a need to ensure tight financial discipline in the context of on-going computer system enhancements.

As the company is growing by absorption from other parts of the group, there is significant personal scope for career development.

Will interested candidates please send a detailed curriculum vitae to Peter Grisenthwaite, quoting Ref. C4522, to arrive no later than Friday 22nd March. All interviews will be conducted in Manchester.

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A step up to your next career move

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TREASURER

LEEDS — C. £22,500 +

SYSTIME
COMPUTER SOLUTIONS

Systime Computers Limited, one of Britain's most successful computer manufacturers, is committed to remaining at the *forefront of innovation in business computer solutions.*

Our success and growth pattern now leads us to fill a newly created post of Treasurer.

First and foremost is a feel for the City–your key task is going to be one of liaison with all *the major finance houses, banks and institutions. You will be the link between investors,* shareholders and Systime. The constant monitoring of the company's cash position and reporting on same to treasury departments is another prime responsibility.

For the next 2 to 3 years you will have the task of steering the company towards its public flotation in 1987/88, a challenging task in itself but one from which you will get enormous stimulation.

Leading a dedicated department of ten people you will have to demonstrate a mature and proven range of management skills.

Reporting to the Company Secretary/Corporate Treasurer you will equally be accredited with the day-to-day *control and administration of cash flow.*

For this demanding and challenging role, a minimum of 5 years in a senior financial position with either a major manufacturing organisation or finance house is essential.

A knowledge of the High Tech Industries would be beneficial.

The responsibility of this position is reflected in an employment package including salary of circa £22,500, company share options, bonus, relocation expenses, family B.U.P.A. and executive car.

Interested candidates should write to:– Mr Paul Townson, Personnel Director, Systime Computers Limited, Millshaw Science Park, Leeds LS11 0LT.

Chief Internal Auditor

Salary range £14,004 - £15,042

The Welsh Development Agency is charged with the task of helping to regenerate the economy of Wales and to improve its environment. It promotes Wales as a location for investment, provides finance for industry, owns and develops industrial estates, reclaims derelict land and provides advice to the business sector.

Applications are invited from fully *qualified* Accountants for the above vacancy in the Internal Audit Department of the Agency, based at Treforest, near Cardiff.

Reporting to the Executive Director (Administration), the successful candidate will be responsible for the operation of the internal audit function across a wide range *of financial and organisational activities at corporate* headquarters and eight regional offices in North and South Wales.

In addition to holding a recognised accountancy qualification, applicants should have several years audit experience at a senior level, in either the private or public sector and also be familiar with the audit of computerised accounting systems, computerised management *information systems* and construction contracts.

Salary will be within the range quoted above with six weeks *leave entitlement in addition to public holidays.* There is a contributory pension scheme and a car user allowance. Relocation expenses will be given where appropriate.

Applications for this post are invited by 29 March 1985 (closing date). Please write or telephone for an application form quoting reference number 85/18.

WDA
Welsh Development Agency

Terry Thomas, Personnel Manager
Welsh Development Agency
Glantaf House, Treforest Industrial Estate, Pontypridd
Mid Glamorgan CF37 5UT.
Telephone: Treforest (044 385) 3571

Group Accountant

GRP — Newbury - £16-18,000 p.a.

Highly profitable Group of Companies mainly in the advanced technology electronics sphere with an annual turnover of approximately £100m requires someone to *take responsibility at a senior level for the day to day* running of a group of this size which has autonomous subsidiaries.

Applicants will be qualified Chartered Accountants with practical commercial experience and familiarity with computerised accounting systems. In addition to the salary a company *car will be provided together with fringe* benefits normally associated with a group of this stature. This is an outstanding management opportunity demanding *well developed personal qualities.*

Please write, in confidence, quoting ref. MU.839 to Guy Redmayne & Partners, 18 Grosvenor Street, London W1X 9FD. Tel. 01-409 0358.

GRP is the General Recruitment Division of EAL

Financial Accountant

c £16,000 — North London

Financial Insurance Group is the leading UK specialist underwriter of credit-related insurance products, marketing schemes for Banks, Finance Companies, Retailers and Building Societies.

We now seek a Financial Accountant to take a leading role in the team reporting to the Financial Controller. A wide range of work is undertaken to a strict timetable. The accounts function is performed utilising packages designed for our IBM 38 computer. The challenge is considerable with opportunities for the right person to develop and expand their professional skills within a fast-moving commercial environment.

Applicants will be Chartered Accountants with 2-3 years post-qualification experience, highly numerate and commercially aware. Previous experience with insurance company accounting will be an advantage but calibre and enthusiasm will be the most important considerations in the choice of candidate.

A competitive salary and benefits package will be offered and will include a fully-expensed car.

Please write with a comprehensive c.v. to:

Stephen Hales, Personnel Manager
Financial Insurance Group Services Ltd.,
P.O. Box 140, Enfield, Middx EN1 1YR

BOARD POTENTIAL?

Growing Light Engineering Company, Surrey, needs

MANAGEMENT ACCOUNTANT

This is a new post and you can fit it to your talents. Work includes supervision and control of stock, production and cost records. We have a good financial accountant; you would work with her to produce management information for the board. We need your help to computerise present systems. Preferably qualified ACMA or ACCA. Salary negotiable; active profit-sharing scheme. The right candidate should have the potential to join the board in due course.

Send cv to Box A8913, Financial Times 10 Cannon Street, London EC4P 4BY

Would you really want to recruit a Senior Executive who doesnt read the FT?

Does it surprise you that the FT reaches more Senior Executives in the UK than any other quality national newspaper?*

It shouldn't. With our comprehensive and authoritative coverage of business trends, no self respecting Senior Executive can afford to miss our pages.

You may also be pleasantly surprised to learn that advertising space on our Thursday Appointments pages is 30% cheaper than the Daily Telegraph and almost 40% cheaper than the Sunday Times.

Do we need to comment further?

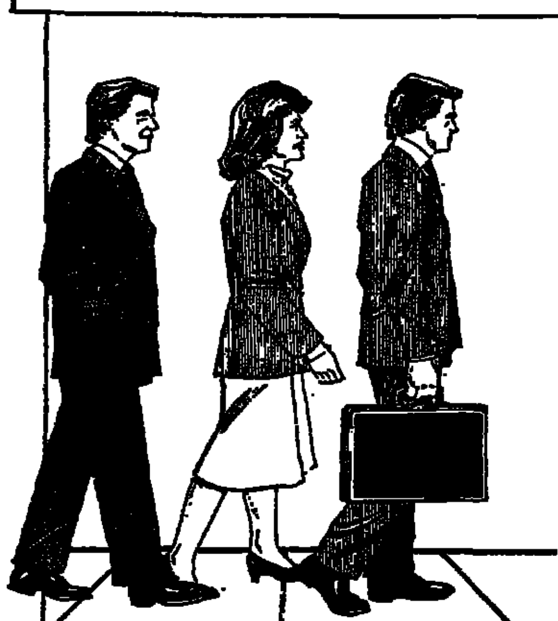
Call Francis Phillips on 01-248 8000 for details.

No FT...no comment.

* The European Businessman Readership Survey 1984

Accountancy Appointments

Can we offer tax people a head start?



Right now you may be a manager, assistant manager, or supervisor. When you consider the immediate prospect of earning up to £25,000, and the opportunity to become a Partner within six years, it's hard to ignore the fact that you could well go further, faster, as one of our valued tax seniors.

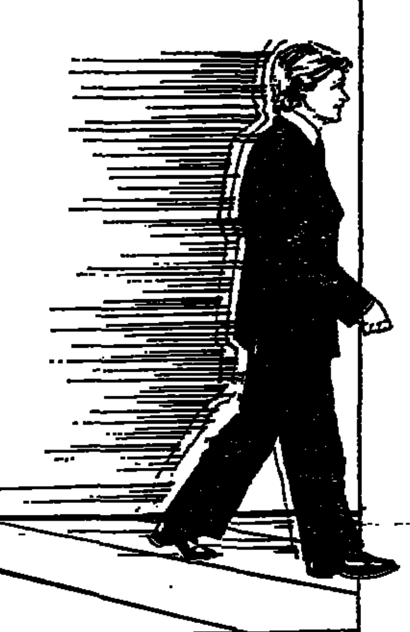
You'll be in an influentual position, servicing your own group of clients. What's more, roughly 70% of your work will be in tax consulting —an area known for its interest and continuous challenge.

In terms of training, you'll find our programme is second to none. We devote time, effort and expense to meet your individual training requirements.

As for our requirements, we're looking for business-minded chartered accountants in their 20s, who are keen to work as part of a cohesive, friendly team and get the very best from their abilities and commitment.

We believe that the opportunities in tax with Arthur Andersen are exceptional. Why not see for yourself by spending a day with us, talking to a cross-section of our staff?

As a first step to an opportunity that's not just better, but better by far, write to Faith Jenner, Arthur Andersen & Co., 1 Surrey Street, London WC2R 2PS, or telephone her on 01-438 3517.



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EMA

Young Accountant

c.£17,500 + Car + Bonus

Established in 1982, our London based client has developed rapidly to a £9 million turnover in the world office automation market. Manufacturing hi-tech products, the company has operations in the USA, Europe and Japan. The appointment will be a key position in developing the Company's international growth prospects.

A member of the small headquarters finance team, the accountant will be responsible for a range of tasks geared to business control and development. Reviewing results of subsidiary operations, developing strategic plans and carrying out financial investigations, the position will require working closely with senior management in several countries.

In their mid to late 20s, applicants (male or female), should be qualified accountants preferably with industrial/commercial experience. Please write enclosing a career/salary history and daytime telephone number to David Hogg FCA, quoting reference I/2285.

EMA Management Personnel Ltd,
Halton House, 20/23 Holborn, London EC1N 2JD
Telephone: 01-242 7773 (24 hour).

Challenging opportunity within shipping company with turnover in excess of $200 million per annum.

CANADA MARITIME

MANAGER – FINANCIAL ACCOUNTING

C. £17,000 + CAR + ATTRACTIVE BENEFITS PACKAGE

Canada Maritime was formed in January 1984 when two great names — CP Ships and CMB — themselves part of major transportation groups — joined to form one of the strongest and most committed container services linking Europe and North America.

With the rapid expansion of the organisation in a highly competitive environment we are seeking an experienced and qualified accountant to maintain the day-to-day financial accounts of a shipping company with turnover in excess of $200 million per annum. You will report directly to the Financial Controller and take responsibility for the production of monthly, quarterly and annual accounts of the line and its subsidiaries. Other duties include cash management, financial forecasting and budgeting.

You will probably be in your early 30's, will have a proven record of controlling, organising and motivating a number of staff and be able to meet very strict deadlines. Experience from within the shipping industry is not essential.

An attractive salary of c. £17,000 is offered together with car and a competitive benefits package.

Please write with full C.V. to: L.W. Thorne, Personnel Manager, Canada Maritime Services Limited, 50 Finsbury Square, London EC2A 1DD. Telephone: 01-638 5555.

GROUP ACCOUNTANT

The Group Accountant will report to the Managing Director and will *have responsibility for the complete* financial function including:—

* The development and operation of computerised modern accounting system.
* Production of monthly management accounts and annual accounts.
* Long term financial forecasting.
* Cash management.
* Corporate Finance.
* Operation and development of budgetary control systems.
* Tax Planning.
* Investigation work in connection with potential acquisitions.

Candidates must be qualified accountants in the age range 28-35, with sound commercial or industrial experience preferably in a small or medium sized company. A knowledge of Export Trade would be an advantage.

Please send a comprehensive career resumé, including salary history and day-time telephone number to:

Managing Director
Revbond Ltd.
Cox House, Cox Lane,
Chessington, Surrey.

ACCOUNTANTS CHOOSE accountemps
01-638 8171
THE TEMPORARY SOLUTION

Chief Financial Officer

S. London **£22,000+car**

Our client is a highly progressive firm of consulting civil and structural engineers, with an established reputation in its field. There are strategic plans for growth and expansion, both organically and by acquisition. Significant plans exist for development in the near future.

To meet the demands of this exciting phase, a qualified accountant is sought to fulfil a highly significant role within the company. Reporting directly to the Board, areas of responsibility will include:-

★ Statutory/management accounting and financial planning.
★ Systems appraisal, to include computerisation.
★ Company secretarial, taxation and administration.

Candidates aged 29-35, will be bright and enthusiastic and will have gained broad based experience ideally with a young public company or professional practice. Direct involvement with the commercial development of the company will demand genuine commitment, entrepreneurial flair and the ability to relate closely with management in all disciplines.

Prospects for promotion are excellent with an attractive remuneration package.

Candidates should write to Philip Cartwright, ACMA, Executive Division, enclosing a comprehensive curriculum vitae, quoting reference 225, at 31 Southampton Row, London WC1B 5HY.

MP
Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

SPECIAL INVESTIGATIONS AUDIT MANAGER

Up to c £19,000 Financial Services

National Girobank, one of Britain's major financial institutions, is seeking to appoint a senior manager with responsibilities for Special Audit investigations and financial training.

Special Audit responsibilities will consist of undertaking value for money commercial appraisal projects, which could for example, include an examination of important contractual relationships between the bank and third parties. Direct negotiation with third parties is likely to be a feature of the job.

Responsibilities will also include design and implementation of appropriate finance training for management. The successful applicant is expected to make an important contribution to enhancing the general level of understanding of basic finance concepts within the bank.

The job involves a considerable degree of independence and it is important that the job holder is able to organise work efficiently so that clear results are achieved in both areas.

Ideally in their 30s, candidates should preferably be graduates and have relevant experience. A professional accounting qualification is required. Career development prospects within the bank are excellent.

Conditions include 5 weeks 3 days holiday and a contributory index-linked pension scheme. The post is based at Bootle, Merseyside and assistance with relocation expenses will be provided where necessary.

Please apply in writing outlining career and salary progression and how your skill and experience match the requirements of the position to:

Paul Wildes, Management Recruitment Manager, National Girobank, Bootle, Merseyside GIR 0AA.

NATIONAL Girobank

FINANCIAL CONTROLLER

Home Counties **to £15,000 + Bonus + Car + Benefits**

We have been exclusively retained by a highly successful, UK company, part of a major US group, which manufactures and distributes a wide range of speciality high technology products for the graphics and printing industries.

They are now seeking to appoint a Financial Controller, who will effectively control the finance function, and work closely with the Managing Director on the day to day running of the business.

This is an excellent opportunity for a qualified Accountant in his/her late 20s to early 30s, to join a leading international organisation which can offer first class prospects for career development.

Written applications enclosing CVs should be sent to Robert Collier or Neil Gillespie in the strictest confidence, quoting reference number 5132.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PF. Tel: 041-226 3101
113/115 George Street, Edinburgh EH2 4JN. Tel: 031-225 7744
Brook House, 77 Fountain Street
Manchester M2 2EE. Tel: 061-236 1553

DOUGLAS LLAMBIAS DLA
Douglas Llambias Associates Limited
Accountancy & Management
Recruitment Consultants

Financial Director

CAPARO INDUSTRIES PLC

Scunthorpe **c. £22,000 + Car and Benefits**

A new subsidiary of our client has recently been formed and will operate from Scunthorpe in the manufacture of merchant bars. Projected annual turnover is £25 million. This is an exciting new venture in which the highly successful Caparo Group is investing significantly.

The management team is currently being recruited and a qualified and experienced accountant is required for the position of Financial Director. Particular preference will be shown to those candidates who are between 32 and 40, have a commercial approach and whose career has developed through their experience in, and liking for, industrial concerns. A capacity for hard work is essential and a mature, resilient character is required.

The successful candidate will be expected to assume immediate responsibility for establishing and staffing the company's total financial and management accounting functions and the introduction of appropriate computer systems. In addition to the basic salary the appointment will attract appropriate fringe benefits as befit the position.

This is a challenging position for which the rewards and potential are high.

Applicants who believe themselves significantly above average and who wish to be considered should apply in writing for an application form, quoting reference TAEB/MSD to:

Mr. Paul Bennett
Peat Marwick Mitchell & Co.
45 Church Street
BIRMINGHAM
B3 2DL

PEAT MARWICK

Financial Accountant

c.£15,000 **City**

Due to internal promotion, an opportunity has arisen as Financial Accountant of the international bulk shipping subsidiary of Canadian Pacific..

Reporting to the Financial Controller, you will supervise an accounting team who produce revenue accounts, accounts payable and vessel expense accounts. Other responsibilities include the preparation of regular financial reports, tax returns and statutory accounts.

You will be a qualified accountant and ideally have a year's experience in financial accounting. Demonstrable investigative and management skills are essential.

Starting salary depends on experience. Benefits include private medical insurance, season ticket loan, contributory pension scheme and relocation assistance when appropriate.

Please write — in confidence — with full career and salary details to Peter Evans ref. B.49284.

This appointment is open to men and women.

HAY-MSL Selection and Advertising Limited,
52 Grosvenor Gardens, London SW1W 0AW.

Offices in Europe, the Americas, Africa, Australasia and Asia Pacific.

HAY-MSL
MANAGEMENT SELECTION

FINANCIAL CONTROLLER

South Manchester

A *leading manufacturer* of electronic equipment and distributor of printers and computer peripherals has successfully negotiated a significant capital injection to assist in the funding of its future development.

The company is expanding into new product and marketing areas. This rapid growth necessitates the appointment of a technically strong financial controller to strengthen the entrepreneurial *management* team. Reporting to the managing director, the financial controller will be responsible for developing the accounting functions within the company.

The successful candidate will be either ACA/ACMA or ACCA and have proven experience of management, together with the necessary ability to communicate clearly with management of different disciplines. This position offers the opportunity for a board appointment after a *suitable* period of time.

Salary £13,000-£16,000 depending on experience plus car allowance.

Write Box A8934, Financial Times, 10 Cannon St, London EC4P 4BY

Financial Controller

Applications are invited from qualified Accountants with extensive commercial experience for the position of Financial Controller to *our client* company — a leading fashion company based in the UK and overseas.

It is likely that the successful candidate will be earning £17,500+ in his/her present position and can expect to command an attractive salary package well in excess of current earnings.

Replies in strictest confidence should be forwarded together with c.v. to:

L. S. Lazarus FCA, Arram, Berlyn Gardner & Co.
Mortimer House, 37/41 Mortimer Street, London W1N 7RJ

هكذا من الأصل

Accountancy Appointments

Financial Director Designate

Engineering

to £17,500 p.a. + car, bonus & share option

Our client is a Technically and Quality Oriented Engineering company in Essex, subsidiary of a larger group, which wishes to recruit a Financial Director Designate to run its computer operated management reporting, finance and costing functions and take over as Financial Director in the near future.

Costing systems need overhauling and for this reason candidates, qualified accountants 30-40, will have had 'hands on' experience in this area. An excellent remuneration package is planned and prospects are good. Apply in confidence to Hamilton Howatt, John Courtis and Partners, Selection Consultants, 310 Chester Road, Hartford, Northwich, Cheshire, CW8 2AB, enclosing C.V. and stating exactly how you meet our client's requirements and quoting Ref. C398/FT. Both men and women may apply.

JC&P

John Courtis and Partners

Tax Manager

c. £20,000 + car

Our client is a leading Lloyd's broker, based in suburban Essex. As a result of very rapid expansion the firm intends to appoint a Tax Manager with full responsibility for all aspects of the Group's taxation, including computations and international tax planning, with a view to improving tax efficiency throughout the Group. The Group is engaged in an aggressive worldwide programme of acquisitions, on which the Tax Manager will advise the main Board, requiring research and some travel.

Candidates should be qualified, unless they possess exceptional experience, and should have established themselves in corporate tax planning and acquisition work. Strong personal qualities are required; ambition, creative flair and a gift for explaining tax to the non-specialist. This is an important career appointment with attractive prospects in a highly profitable international organisation.

Please apply to Sir Timothy Hoare, Career Plan Ltd., Chichester House, Chichester Rents, Chancery Lane, London, WC2A 1EG, tel: 01-242 5775.

Career plan LIMITED

Personnel Consultants

Director of Finance

Southampton **c£30,000 + car**

For a manufacturer and distributor of electronic products with subsidiaries in Europe and North America and part of a major and successful international group. Turnover is running in excess of £50 million and the company is well placed for further growth both organically and by acquisition.

Reporting to the newly appointed Managing Director you will be responsible for all aspects of the finance function and will play a key role in planning the profitable development of the business.

You should be a qualified accountant operating at a senior level in industry or commerce, ideally in an international environment.

Write in confidence to John Cameron, quoting ref. C366 at 10 Bolt Court, London EC4 (telephone 01-583 3911).

Chetwynd Streets

Management Selection Limited

International Investment Bank

City

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Accountancy Appointments

Mexico buys some breathing space

By David Gardner in Mexico City

ON MARCH 29, Mexico and its international bank creditors are to set the seal on the mammoth multi-year debt rescheduling agreed in principle last September.

This pioneering achievement covering U.S.$48.7bn or nearly half the country's foreign debt, and the first restructuring deal to take a long-term view of the Latin American debt crisis set off by Mexico in August 1982, is now seldom discussed in Mexico itself.

There is no air of self-congratulation, at least in public, surrounding Ministers and officials who are sticking to the Government's image of sobriety. "We have bought ourselves a breathing space, no more," sums up a widely-held view of the deal, both in and outside the Government. The most bullish remark so far has come from Sr Carlos Salinas de Gortari, the Planning Minister. "The state of emergency is over," he said in January.

But the problems that lie ahead are all too visible. Two threats to the Government's finely-balanced recovery strategy have already emerged this year, which Ministers are anticipating will be the most testing so far even after two years of retrenchment probably unparalleled in the country's history. The monthly inflation figures for January, for example, rose 7.4 cent, the first time monthly price rises have exceeded the comparable month of the previous year since the Government of President Miguel de la Madrid took office in December, 1982.

Mexico, its economic managers tend to recall, was snatched out of the jaws of hyper-inflation, running at an annualised 117.2 per cent in April 1983. That year ended with an official consumer price index rise of 80.8 per cent brought down to 59.2 per cent in 1984 (against targets for the two years of 55 and 40 per cent respectively).

Despite this real achievement, continuing evidence of the stubborn resistance of prices to the austerity programme has led some officials to fear that the downward inflationary trend may have reached a plateau. This year's official forecast is hopelessly optimistic at 35 per cent. More realistic forecasts are in the 45 to 50 per cent area.

The other early threat to emerge is the unsettled state of the oil market. Contingency plans are now being drawn up against the expected further fall in the price of oil, which last year earned Mexico about 70 per cent of its export revenues and provided an estimated 44 per cent of Treasury receipts.

In terms of Mexico's ability to stay its dogged course back towards growth, and at the same time meet its debt-servicing obligations, the oil revenues—$16.16bn in 1983 and slightly over that last year—are vital. A drop of up to $4 per barrel "would be tolerable," according to one specialist. Anything beyond that would not.

There are, therefore, formidable internal and external constraints on Mexico's ability to satisfy both its creditors and the development needs of its 75m-80m population.

But from financial collapse in 1982 and the threat of industrial collapse, Sr de la Madrid's team has engineered an astonishing turnaround. The current account deficit of $4.9bn in 1982 was turned into a $5.5bn surplus in 1983, the first since 1955, and a further surplus of around $3.5bn is expected for last year. The 1983 surplus was on the back of a $13.7bn trade surplus, achieved almost entirely by a 47 per cent cut in imports, which had already fallen 40 per cent the year before. Last year's expected surplus of under $13bn will, however, reflect a modest rise in both imports and exports. A further imports revival is expected this year, lowering the trade surplus to $10bn.

The public sector deficit, now believed to have exceeded 18 per cent of GDP in 1982, was more than halved in 1983 to 8.5 per cent. The official estimate for last year is 6.7 per cent, though officials are admitting privately it could be 7.5 per cent. This year's target is therefore being set at the curiously exact 5.1 per cent against the original target of 3.5 per cent agreed with the International Monetary Fund.

The cost of this remarkable assault on Mexico's main internal and external imbalances was, in bald figures, a 5.3 per cent drop in GDP in 1983, on top of a 0.5 per cent fall the previous year, the first for half a century. Growth has now begun to revive, with national output last year officially put at 3.5 per cent, higher than forecast because 1983's drop has twice been revised downwards and of 3-4 per cent for this year. The hope then is for a return to what Sr Jesus Silva Herzog, the Finance Minister, describes as "adequate" growth 5-6 per cent in 1986-88. Rapid growth in Mexico's experience is over 6 per cent.

The social cost of adjustment is much harder to measure or predict, especially since hiding it behind a fog of nationalist rhetoric has become one of the principal activities of the regime and its trade union allies. But they have not obscured, for example, the evidence of the young fire-eaters to be found at virtually every main junction in Mexico City, a desperate symbol of the army of urban poor.

The imperfect 1980 census and studies of it "suggest that throughout the expansionary 1970s, before the crisis, a net transfer of resources away from the poor was already taking place. The number of Mexicans on less than the minimum wage remained roughly static between 1970-80 at three out of every five but despite average 3.3 per cent per capita growth throughout the decade those on less than one-eighth of the minimum wage rose nearly five times to one in 55 workers.

The evidence is sketchy, but suggests that the de la Madrid Government realised that there was no margin for any further fall in living standards. Food subsidies, for example, on staples like tortilla and beans, have been maintained, at about $1.7bn last year.

In industry, Government figures show a remarkably small net loss of manufacturing jobs of 60,000 over the past three years. The manufacturing base has been protected mainly by a range of Government cushions for the private sector, by a policy of maintaining though not increasing public sector employment, and by wage moderation. Roughly half the workforce—those with full-time jobs—have taken a 32 per cent cut in purchasing power between January 1981 and last month, independent calculations show.

Hard-core unemployment is about 1 per cent, with a further 40 per cent of the 25m workforce thought to be underemployed. Underemployment, sustainable through Mexican ingenuity and the extended family system, appears however to have reached its urban limits.

Although the balance sheet of Sr de la Madrid's hard-nosed technocratic approach, leavened with the traditionally adept populism of the ruling Institutional Revolutionary Party (PRI), is undoubtedly positive, any appraisal of Mexico's medium-term prospects should take on board an increasingly prevalent and revisionist view of his predecessor.

Sr Jose Lopez Portillo's 1976-1982 administration has been justly reviled for its corruption, nepotism and demagoguery—traits which are unlikely to disappear entirely from the Mexican system. It failed to alter its expansionary course when oil prices fell in 1981, costing Mexico $7bn and interest rates rose (costing $3bn). Instead, it borrowed a further $20bn that year, bequeathing financial collapse, austerity, and the millstone of what is now $96bn foreign debt.

Yet under Sr Lopez Portillo Mexico underwent an extraordinary structural transformation, with the capacity to generate $16bn in oil revenues being put in place (Mexico was a net oil importer in 1974) and the country's industrial capacity doubled. What one prominent Mexican banker, and cogent critic of the last Government's economic management describes as the "substance of national capital" was dramatically increased.

Put another way, Mexico's creditors are now getting paid because of oil industry investment under Sig Lopez Portillo and their chances of continuing to get paid are much enhanced by what, in retrospect, was then over-investment in non-oil industry.

This investment has translated into average 40 per cent over-capacity. That, in part, explains the real fall in private investment of around 45 per cent in the last two years and also why there are no signs of the estimated $15-30bn that left the country as capital flight being repatriated.

A lot of fat has been stripped away, cutting the public sector deficit and imports by roughly two-thirds each. That could not have been achieved without social upheaval and major de-industrialisation had most of this fat not been surplus. The cement industry, for example, working at just under two-thirds of its 30m tonnes a year capacity is exporting for the first time to compensate for depressed like Blue Circle and Holderbank of Switzerland with joint ventures here are providing the markets.

Despite a growing consensus that Mexico must export to squeeze out surplus funds for development, the country's bureaucracy is more of a hindrance than a stimulus. Under pressure from exporters the authorities in early November decided to copy a Brazilian idea and virtually eliminate red tape for 50 selected exporting companies. The first company put forward by the exporters, a mining concern, had still to be accommodated three months later. As an exporting country, Mexico is still a novice.

And there is a long list of structural impediments to its full and enduring recovery. The most obvious are the still-to be dominated issues of the public sector deficit and inflation. But these take in a range of hitherto structurally intratable problems such as food subsidies, population growth and backward agriculture of the growth of the public sector and a traditionally open-ended system of deficit financing.

The virtually unrivalled control of the ruling PRI, which has made Mexico the most stable country in Latin America over the past 55 years, is in part dependent on details like tortilla subsidies and a countryside organised more to get the vote out than to produce. These rigid structures are being examined and a start has been made to reform some of them.

But nothing can be done in the medium term to change the dependence of Mexico and therefore of its bankers, on oil revenue. The Government targets for non-oil exports which should triple between 1982 and the end of the decade, to account for some 40 per cent of exports, will most likely be met. This will yield trade surpluses after 1986 in the $8.9bn area, but only if the country's oil cushion is not deflated.

The optimistic scenario is that whatever fall there in in the price of oil wil be compensated by a more or less equivalent fall in interest rates. However, this was not the case in 1981 but then Mexico's whole strategy was counter-cyclical.

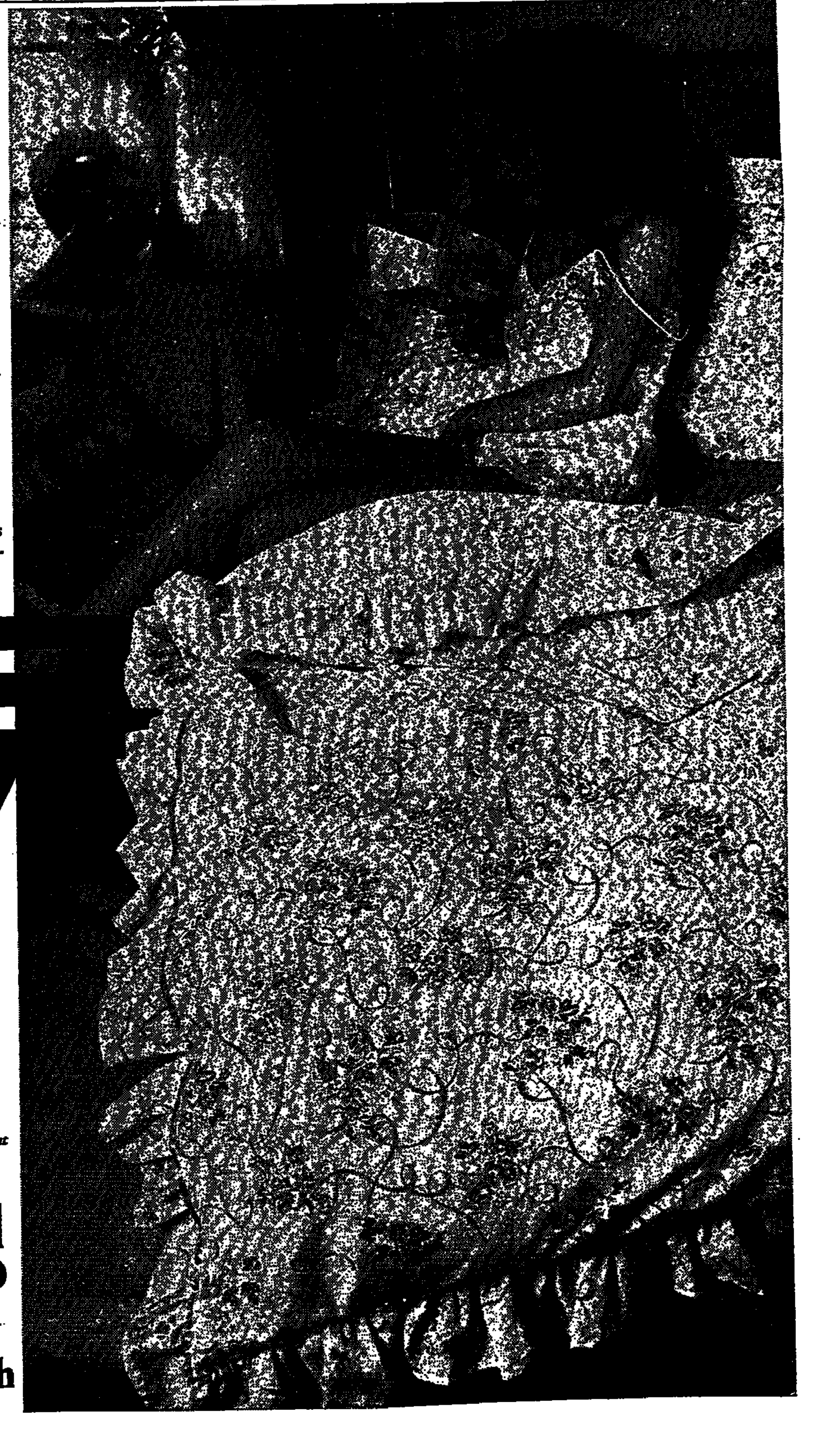
The main offset has to be interest rates. One independent analyst stressed: "It is unrealistic to look anywhere else in the short term at the moment, there is some slack in Mexican foreign exchange cash flow projections, which allow for stable oil prices (at an average $27 per barrel) to 1990 and an average Libor rate of 12¼ per cent (nearly all public sector foreign debt will be switched to Libor once the rescheduling is signed).

But if all the slack is taken up and the compensation mechanism thereafter fails to work, Mexican projects will prove wrong and the package based on them will almost certainly unravel without new cash commitments from the international financial system.

The idea of default has backers at the margins of Mexican public life but the Government has rejected it in favour of a strategy to win repayment terms which permit a net inflow of funds to finance development. But, as orthodox as they are, Mexican ministers and officials are equally convinced that development cannot be sacrificed to the needs of repayment if the two goals become irreconcilable.

The 1980 Census—Mediocre Measurement of Vital Statistics by Dr Rogelio Ramirez de la O and Dr Lorenzo Moreno.

Men seeking work gather each day in a Mexico City square



INTERNATIONAL AVIATION

BCal's Latin American routes a mixed blessing for BA

BY HUGH O'SHAUGHNESSY

BRITISH AIRWAYS takes over on April 1 from British Caledonian as the British flag carrier in Latin America. BA will start services to Rio de Janeiro and Sao Paulo in Brazil, to Caracas, the capital of Venezuela and to the Colombian capital, Bogota.

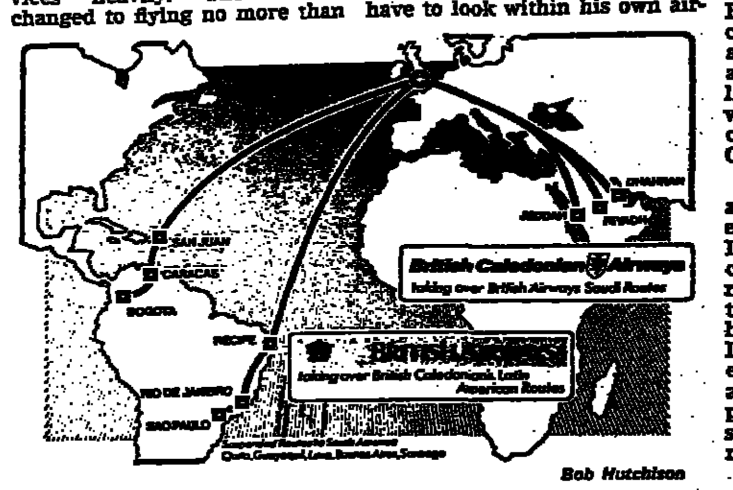
Latin Americans may be forgiven for being a little bemused at the multiplicity of British airlines which have been serving them over the years. After the Second World War, it was British South American Airways, later absorbed into British Overseas Airways Corporation. In 1964, the routes to Latin America were handed over to British United Airways. In 1970, BUA became part of a company thereafter called British Caledonian. From next month, the routes will be back in the hands of BA, successor to BOAC.

Mr John Meredith, head of BA's transatlantic services, claims: "We will make the South American routes break even this year—or by the end of 1986 at the latest."

No one in the airline business thinks he will have an easy task. BCal does not deny press reports that it has been losing £3m ($3.27m) a year on the routes, and Mr John Prothero-Thomas, the BCal director for new projects, is clearly happy that his airline is giving up South America in exchange for BA's lucrative Saudi Arabian routes, as decided by the British Government last year.

The last two or three years have been miserable ones for BCal in Latin America. The Falklands war of 1982 had immediate and profound effects on the airline. Overnight, it had to suspend its services to Buenos Aires, the largest city in the Southern Hemisphere, and the major source of its South American traffic. War with Argentina made it difficult to BCal to reach Santiago, the Chilean capital, and was the end of the line for its South American services. For a few weeks, BCal served Santiago by direct flight from São Paulo, but that necessitated avoiding Argentine airspace altogether, and making a long detour over Peru.

That route was clearly not economic, and it was soon scrapped, leaving BCal's services terminating in São Paulo, and with its principal profit centre out of action. That year BCal lost £6m on its South American services, a fact which pushed its airline operations as a whole into the red. Since the Falklands war there has been rationalisation—or expressed more brutally, BCal has pruned its South American services heavily. The airline changed to flying no more than twice a week to Brazil, and has cut out its services to Peru and Ecuador.



Bob Hutchison

BCal in its time in South America has run into stern unwillingness on the part of governments in the Continent to allow any great reduction in published fares. "Latin American governments know that the proportion of their populations who can afford to make a trip by plane is no more than, say, 6 per cent. Those people would continue to fly to Europe even if you doubled the fares. At the same time, the other 94 per cent wouldn't be able to fly to Europe even if you halved the fares. So why change them?"

Official rigidity towards fare structures has not, however, stopped airlines which serve the routes from heavily discounting their prices through the bucket shops.

Nevertheless, high published fares have been a factor preventing the growth of a mass tourist market between Europe and Latin America.

As BA takes over, there is little sign that circumstances in Latin America will change. Latin American governments are unlikely to change their strategies merely because a new British airline has come on the scene. Nor does there seem to be any immediate prospect of direct air traffic being resumed between London and Buenos Aires — despite the desire of BA to fly to the Argentine capital and the wish of Aerolineas Argentinas to return to London. John Meredith will have to look within his own airline for the formula which will bring him to a break even point.

He will have an initial struggle to establish the airline's own identity in the aftermath of BCal. Here, he will be helped by the fact that BA has retained a small presence in South America and earns some £6m in revenue from the region from those South American passengers wanting to travel on BA's world wide flights.

Another advantage BA will have is that of operating smaller aircraft. It will be using Lockheed TriStars on the Latin American route, rather than the DC-10s operated by BCal. If the absolute amount of traffic is no more than maintained, BA should, by using smaller aircraft, be able to improve on BCal's load factor of about 50 per cent.

BA has also re-thought its routes. It has dropped BCal's service to Recife, on the North-eastern bulge of Brazil, in favour of a non-stop London Rio de Janeiro service. It will save personnel and lading fees in Recife, but will lose some of those savings by having to leave London carrying more fuel—and thus less freight.

At the same time, it is substituting a stop in Trinidad for BCal's stop in Puerto Rico on its London-Caracas service. Trinidad is likely to yield more business for BA than Puerto Rico did for BCal.

BA will also be able to sell directly in South America the transatlantic link to its dense European route network and connections to the Middle East and Far East. It will also be able to promote itself as the airline which flies to Heathrow, which offers better transfer connections than BCal's base at Gatwick.

The fate of BA's effort will to a large extent be affected by the economic climate in the region. If it recovers, BA's operations could face a quick upturn; if it remains stagnant or worsens, the result could be a longer haul than Mr Meredith expects. Last year, Latin America's economy grew by 2.6 per cent after falls of 1 per cent and 3 per cent in 1982 and 1983, respectively. This year's performance is anyone's guess.

One ploy that BA says it is not going to use in South America is the reintroduction of Concorde. Air France used to fly Concorde to Rio de Janeiro, Caracas and Mexico but when the Latin American economies turned into recession these services were suspended.

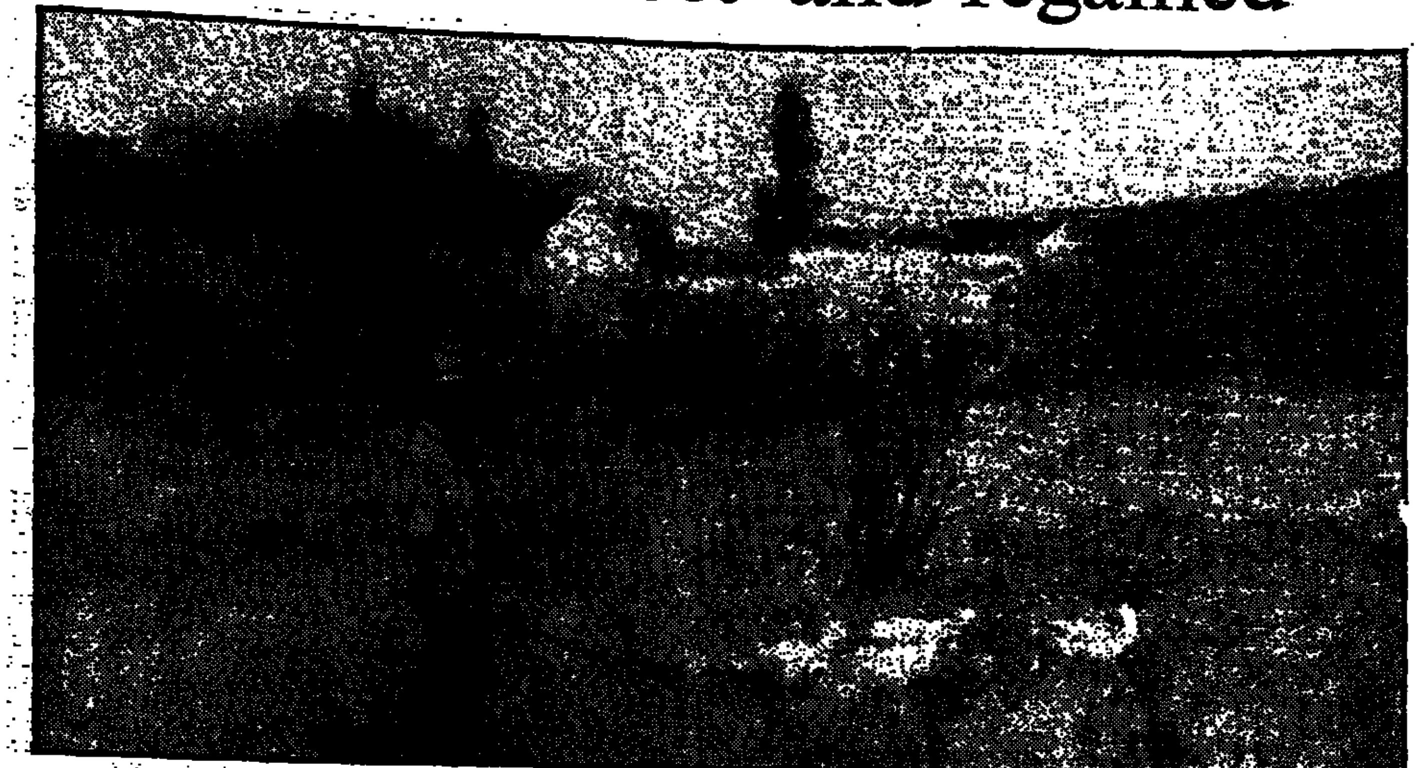
Despite press speculation that BA might extend its present London-Miami Concorde service to South America, Mr Meredith insists: "We have absolutely no plans at present to fly Concorde regularly to South America." The most that South America will see of a BA Concorde this year will be the occasional charter flight.

The future of one important route remains undecided. In a month or two, the new airport serving Port Stanley will be inaugurated, giving the Falkland Islands the possibility of receiving wide-bodied jets for the first time. The British government is likely eventually to contract an airline to maintain a twice-weekly service to Port Stanley. Political sensibilities are still such as to preclude any such service from landing on the South American continent. Ascension Island will continue to be the intermediate stop for any civil airline flight—as it is today for the RAF Hercules shuttle.

THE ARTS

Painting/David Piper

Relevance lost—and regained



Brangwyn's "Gooseboy," an oil on canvas painted in South Africa in 1891

Fifty years ago, Frank Brangfyn was easily the best-known—indeed, most famous—British artist in the western world. When Picasso and Matisse, asked early in the 1930s to paint colossal *murals* for the main lobby in the new and grandiose Rockefeller Centre in New York, were unable to accept the commission, it was to Brangwyn (and the new almost-equally-forgotten Sert) that the committee turned. (Diego Rivers had also bene asked and agreed; but when an unmistakable image of Lenin appeared—in that show-piece of capitalism—his fresco was *destroyed.*) *Such, however, was* Brangwyn's international standing at the time, in his mid-60s; he had been acclaimed by a shower of gold medals from most European capitals, almost worthy of Danäe. And he lived until almost 90, dying in 1956.

Yet now—Brangwyn, who he? It was interesting, however, to learn—at the Fine Art Society's show (till March 22) in Bond Street—that while one young student had had to ask how his surnamed was pronounced, that was symptomatic of a significant revival of interest in Brangwyn's work among the *younger generation of art students today.* It would be interesting to discover what *elements in* that prodigiously copious and varied output now begin to become relevant again today. One aspect might be his many studies of men at work, a theme to which he returned again and again: in them, the sentiment is that of Millet or the sculptor Meunier rather than of, say, Munch (*to be seen* concurrently at the Barbican), or of those who portray manual work in terms of the oppressed proletariat. I think, too, that it is too easy to call it sentimental or glamourised; it is an act of celebration of one aspect of *physical* labour, heroic; others may depict, equally justly according to cirmucstance, the grinding slavery which it can be no less.

But perhaps what may attract in the relatively starveling 1980s is sheer opulence. The opulence of scale (*the four* Rockefeller panels each were 17 x 25 ft) is not represented at the Fine Art Society, though *it* is implicit in some of the studies shown. There are, however, several good specimens of opulence in colour and subject matter. Even when painting *men at work, they become* pageantry; while an enduring fascination was for great galleons almost blowsy in the swirl and *sway* of *stuffs* that clad their rigging, on a deep-blue moving sea under azure sky in which clouds, too, sail like galleons. There are displays of fruit and flowers in hot sun, tropic harvest festivals—a hook-nosed brown face of a peasont gleaming among a profusion of *fruit and vegetable and vast* wine jars. Figures and faces sometimes are constructed in swirl and blob of pure colours.

This abundance can sometimes take over until the work becomes more of an accumulation of rich details, an overall patterning, even approaching almost the repetition of wallpaper. Brangwyn might not have minded so much being accused of that for he was, *almost modestly compared* with other artists, content to consider himself as a decorator who tuned colour, *composition,* tone and movement to the architectural setting in which the work was to take its place. But it is also true that the handling can become somewhat perfunctory in those big decorations—in a way that Borris's wallpapers, precisely, never do. The *extent to which Brangwyn used* assistants it not clear.

In the easel painting, by contrast, the feeling for drama is always insistent. Like others of his generation—Pride, Muirhead Bone, Gordon Craig in their different ways—he loved a positively violent chiaroscuro, dark *foreground looming* up to a monumental vertical ablaze with light, or vice-versa, crowding a low sky. Assisi, for *example:* a peasont ploughing in the depe dusk of the foreground, shadowy poplars in the middle ground lifting towards the wall of the town on the hill-crest high above, the church tower catching last light, and then a brisk boiling of startling white cloud.

But there is very great variety in the show. It does not attempt a considered revaluation of Brangwyn as artist, but has been put together from what was fairly readily available (the Fine Art Society has been loyal to Brangwyn since the 1890s). Brangwyn as designer of furniture *or interiors* does not appear—nor pots (he seems even, unexpectedly, to have had Bernard Leach throw a pot or two to his design and was a notable collector of ceramics); nor involved with the decoration of the liner, Empress of Britain, sunk in 1940. The large, bold black and white compositions, in enormous etchings, lithographs and drawings, *have only a token showing.*

Nevertheless, the range illustrated is impressive, from the sheer accomplishment of the *young man, initiated into* the *plein air* convention of the 1880s. A girl in the plangent splash of a brilliant red skirt on a grey-green grassy steep high above grey roofs and a milkly sea—painted in 1887, astonishing in its confidence. Echoes, then, of Art Nouveau *and of Arts and Crafts. Later,* perhaps, hints of an awareness of simplifications and abstractions going on in France—as a watercolourist, he developed a highly flexible technique, ranging from the traditional picturesque to compositions like the swiftly executed rendering *of the Villa Algericas, a study* in broad washes of mottled whites and browns, of the deep blue Mediterranean blue sky, that I'd guess Paul Klee might have approved.

The exhibition includes a startling self-portrait, seen from below, looming very dark: *the artist holding his large* drawing board against one thigh, looking almost as Moses bringing down the tablets from the mountain. Below him, two elderly men, the features almost dragged on to their hands. The setting is murky, could be industrial; the men could be *miners. It is an extraordinary* image, almost as if inspired by Goya's "black paintings." It seems typical of nothing else in Brangwyn's work, such is his variety. The time, perhaps, is not yet quite ripe for a full Brangwyn retrospective (the last, not much noticed, was at the RA *in 1952*), *but this is a* challenging herald towards one.

Phoenix/Huddersfield

Martin Hoyle

From its summer base in the Lake District, Century Theatre tours *northern towns in* the winter, and even visits such southern outposts as Taunton and Winchester. As something of an innovation this year, it is giving the first professional production of a play by David Storey, appropriately staging its première in Huddersfield, *half an hour by stopping* metro-train from his birthplace, Wakefield.

At first glance, the Venn *Street Arts Centre* seems graced by a proscenium unusually elaborate for a converted church school; but this is part of Candida Boyes's set. We are in the doomed Phoenix Theatre, and the tenactious artistic director, Ashcroft, has moved bed, desk and chairs on to the *deserted stage for the last few* hours of his tenure.

Ashcroft is another of Storey's men of action turned thoughtful and it must be confessed garrulous. A former boxer, son of a miner, he is the familiar type of auto-destructor as he *lopes round like Jimmy Porter* in a timewarp. We first see him with the clerk from the local council's Fine Arts sub-committee taking an inventory: "No more theatre in this town—you've had long enough to prove your point." But Ashcroft has more than local philistines to worry him. Actions for assault a wife in a mental home, legal proceedings from an actress *recently made good.*

Mr Storey's dialogue too often consists of uncommunicating monologues. And as in his novels, the *women frequently* seem mere adjuncts to the male figures, existing to torment or be tormented. This is especially hard on Laura Calland as the successful actress, as she veers between the vindictively hard-bitten and the sympathetic, for Miss Calland is a player to *watch.* Equally *stylish and confident* is Michael Keating's Ashcroft, though he cannot disguise the author's diffuse and sporadic plotting nor the fact that the verbal fencing is no more than a smokescreen for static figures who are simply frozen attitudes.

Tim Gatti has a slightly baffled shot at the undeveloped role of a radical playwright, and Genevieve Walsh utterly convinces as one of those loyal, *dependable and selfless* henchmen—*sorry* henchpersons—*that* masochists seem to attract. Despite an improbable happy ending, and the impression that a number of people have been talking at one another to no great effect, Paul Gibson's direction, rising to an explosive climax, almost literally brings the house down. I hope Sir Peter does not similarly resort to dynamite to solve the National Theatre's problems.

Kathryn Pogson and Paul Jesson in Deadlines, which opened last night at the Royal Court Theatre Upstairs in London

Maya Plisetskaya/Rome Opera

Freda Pitt

The image of Maya Plisetskaya, *proud and defiant in a* long white peplum, is what remains in the mind after the second ballet programme of the season at the Rome Opera. Maurice Béjart's *Isadora,* which he made for her in 1976, still provides a striking vehicle for her talents. The role is less *taxing technically than others* that Plisetskaya still attempts, and she is able to identify totally with Béjart's concept of Isadora as a symbol of the urge to freedom. This kind of passion is hers, and she invests every movement with meaning as well as personal fascination. *Much of the movement is* confined to arms and hands, the steps consisting largely of small runs (unlike Duncan, Plisetskaya performs in flat sandals, not barefoot). She gives an entirely "heroic" view of Duncan, with no hint of the dissipation or urge to outrage.

Resorting to flashback for the central section, Béjart opens the work with Duncan's death, the scarf that is to strangle her being represented by two long *billowing white tulle streamers* that slowly envelop her. This scene is repeated at the end, the rest being made up of a series of disconnected dances to music by Chopin, *Liszt,* Skriabin and others, as well as the inevitable Marseillaise. Elisabeth Cooper played the *piano on stage; the recorded* speech, in French, was so unsatisfactorily amplified as to be almost inaudible. It would have been better to translate these brief rhetorical interpolations into Italian.

The protracted curtain-calls could have given an object-lesson *in grace and* deportment to any sufficiently observant and imitative member of the resident company—unfortunately, both these qualities tend to be lacking in the majority of the Rome dancers. Nevertheless, it seemed tactless for Plisetskaya to import from Moscow both her partners in the evening's closing ballet, Alberto Alonso's heavily symbolic *Carmen-Suite.* Perhaps only the well-tried partnering of Victor Barykin as Don José and Sergei Radcenko as Escamillo, instilled sufficient confidence.

Azary Plisetsky staged the work carefully, and the orchestra (under Alberto Ventura) played with unusual attention to detail, perhaps taking the music more seriously than is *customary on ballet evenings* because of their previous acquaintance with Bizet's score, which in the ballet is reinterpreted by Rodion Schedrin, Plisetskaya's husband. In general, however, the work came as an anti-climax after *Isadora.* The plethora of reworkings of *Carmen* to which we have been subjected recently begins to resemble aversion therapy; but Alonso's version, which treats the characters apart from Carmen as robots with stilted, stylised movements, soon becomes tiresome in any case.

Above all, Plisetskaya is ill-advised, at 60, to attempt a role that has come to stand for highly-charged sexuality. In *Isadora,* she demonstrates triumphantly that she can still express passion of the spirit; passion of the flesh is another matter. Besides, her dancing is, inevitably, visibly effortful at times.

A few members of the company were employed in subsidiary roles, such as Lucia *Colognato as* the stalking Fate figure in black and Alfonso Paganini as the intermittently circling Corregidor, but the production cannot be claimed to have advanced the company, either technically or artistically.

Still less could this claim be made for the opening *Paquita* divertissement, hastily staged by Inna Zubkovskaya to replace Roland Petit's *Four Seasons.* Only two or three of the soloists danced with any of the requisite brilliance, though this is hardly surprising in view of their infrequent opportunities to perform. After building a programme around her own presence, Plisetskaya needs to concentrate on her responsibilities as director of the company.

Lindsay Quartet/Purcell Room

Max Loppert

Tuesday night's recital by the Lindsay was also the second of three Tuesday concerts of British string quartets promoted by the *Park Lane* Group. It was a satisfying occasion, for while no startling discovery was expected of either of the two less familiar works here produced, both were at least worth a single hearing.

Tippett's Third Quartet (1948) is, of course, not unfamiliar and worth rather more—and in the now-celebrated Lindsay account of it, which makes light of cross-rhythmic *complexities and contrapuntal* proliferations, the song and dance of the music were full-heartedly conveyed. The Beethoven playing by this group is also widely admired and the opening Op.18 no.4 was a fair sample of it, though passing suspicions of casual note-values and *inexact intonation from the* leader, Peter Cropper, could not always be dismissed.

"Terse," "pithy," and "muscular" are three adjectives commonly associated with Elizabeth Maconchy's composition in general, and her quartet-writing in particular. The 12th (1979) once again invokes them, though the way some quite angularly dissonant Bartokian opening material is during its course apparently tamed and domesticated (notably in a long, ruminative slow movement) suggests a work of softer, milder centre than the Maconchy norm. The String *Quartet (1983) of* Geoffrey Poole makes, we are told, quite complicated theoretical practice of an invented modal scale and of micro-intervals. What the first-time listener actually tended to hear was a lively, bustling, buzzing collection of repeated gestures, some quite *dramatic; any larger formal* pattern was obscured by excessive absorption in such detail.

Festival's clowning glory

The Brighton Festival is to be extended to three weeks this year thanks to greatly increased commercial sponsorship. Clowns, clowning and the Commedia dell'Arte will be its theme.

Running from May 3, the festival has attracted some notable "firsts," including the Commedia dell'Arte companies Les Scalzacani from Paris, and Tag Teatro from Venice; and the British premiere of Pousseur's *The Passion According to Punch,* to be conducted by Oliver Knussen with the BBC Symphony Orchestra.

There *will be world premieres* of works by Harrison Birtwistle, Chris Dench, Justin Connolly, George Nicholson and Philip Grange, and also of a new ballet by Robert North performed by the Ballet Rambert. Eight new plays — by Actors Touring Company, I Gelati, New Writers Company and the Brighton Actors Workshop — will be produced while other attractions include the British Film Year's *Road Show* and the second Brighton jazz festival.

New Sussex Opera is mounting a production of Berlioz's opera *Benvenuto Cellini,* which is based on an event during the Florence carnival of 1532; and there will be a concert performance of *I Pagliacci* and the Commedia dell'Arte scene from Richard Strauss' *Ariadne Auf Naxos* by Regency Opera, both in the Dome Theatre.

Other musical attractions will include symphony concerts conducted by Carlo Maria Giulini, Yuri Temirkanov and Lorin Maazel with the Philharmonia, Royal Philharmonic and BBC *Symphony Orchestras* respectively. There *also will* be a performance of Mahler's "Symphony of a Thousand" conducted by Norman del Mar with the Bournemouth Symphony Orchestra, Bournemouth Sinfonietta, London Symphony and Brighton Festival choruses, a boys' choir and international *soloists in celebration of Europe* Day; and a Royal Mail concert with the Halle Orchestra, conducted by Sir Charles Groves, to mark a special issue of stamps commemorating European Music Year.

Mary Cassatt/Philadelphia

Frank Lipsius

When the expatriate American Impressionist, Mary Cassatt wrote about "the good city of P" she was referring to Philadelphia, not Paris. Though she actually lived in Paris for more than half her life, Philadelphia was—and is—forgiving: it was the adoptive home of her family and is the present host to a comprehensive retrospective of *her and her* mentor, Edgar Degas's, work.

By combining *Mary Cassatt and Philadelphia* with two shows on Edgar Degas (set up by Boston on Degas's prints and the second, *Degas and Philadelphia*), the Philadelphia Museum of Art highlights two Impressionists who focused on social rather than natural subjects. The artists recognised their compatibility from their first contact when Degas saw Cassatt's paintings at the Paris Salon *of 1874. She considered* herself a protégé of Degas's and promoted his work among American, particularly Philadelphia, collectors. For his part, Degas hung works by Cassatt in his studio and posed her in several works.

The seeming solipsism of *the Philadelphia focus* of the show reflects both Mary Cassatt's success at promoting Degas and her own family's willingness to support her during the 55 years she lived in Paris. Though born in Pittsburgh, Cassatt studied at the Pennsylvania Academy of Fine Arts in Philadelphia and the *rest of the family* was Philadelphia-based by the time her brother, Alexander, became first vice-president of the Pennsylvania Railroad.

These close Philadelphia ties give the geographical aspect some justification, especially *with the high* quality and *diversity* of work included in the show. The sophistication of local collectors is evident in the mix of early and late works by both artists, including Degas's mysterious Interior of 1868-69, in which the figure by the door stares in at the women inside.

Mary Cassatt's work in the show reveals a teasing interest *in captured moments where a* fan obscures a face or a woman arranges her veil. The large number of portraits, many of them Cassatt family members in Philadelphia, take on added interest, not so much for the local connection as the accumulated impact of bored expressions on faces that seem to have been forced to be still for too long.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

March 8–14

Exhibitions

WEST GERMANY

Düsseldorf, Kunsthalle Grabbeplatz 4: The early Rhineland Art between 1918-1945. Until the mid-1920s Düsseldorf dominated the renewed cultural *life of* the entire Rhineland. Among the artists are von Nanen, Campendonk, Klee, Zschokke, Matare, Moll, Schnurr, Flechtheim, Ernst, Dix and Wollheim. One part focuses on problems of *immigrants* and cultural life under the Third Reich. Ends April 8.

Berlin, Akademie der Künste, 10 Hanseatenweg: 130 paintings and 70 drawings from between 1945 and 1984 by Rupprecht Geiger, the German painter. Ends March 17.

Frankfurt, Frankfurter Kunstverein, 44 Markt: Italian art between 1910 and 1980 offers about 80 paintings and sculptures by roughly 50 artists, among them Chirico Bocioni, Carra Morandi, *Modigliani* and Manzu. Ends April 8.

Berlin, Akademie der Künste, 10 Hanseatenweg: 130 paintings and 70 drawings from between 1945 and 1984 by Rupprecht Geiger, the German painter. Ends March 17.

Hamburg, Museum für Kunst und Gewerbe, I Steintorplatz: Plastics Only has 400 plastic objects made from salt-shakers to wireless sets from 1860 to 1960. Ends April 5.

Hamburg Kunstverein, Glockengießerwall: 120 oil paintings on paper from 1949 to 1967 by Joseph Boys. This is the first time these works are being shown to the public. *Ends Mar 31.*

Hannover, Kestner Gesellschaft, 18 Warmbüchenstrasse: A retrospective of Marc Chagall's works on paper from 1907 to 1984 has roughly 200 drawings, gouaches and watercolours. This is the only German venue of the touring exhibition. Ends Apr 8.

Frankfurt, Frankfurter *Kunstverein,* 44 Markt: Italian art from between 1910 and 1980 offers some 80 paintings and sculptures by roughly 50 artists, among them Chirico Bocioni; Carra Morandi, Modigliani and Manzu. Ends Apr 8.

LONDON

The Royal Academy: Marc Chagall – a full retrospective (organised by the academy in association with the Philadelphia Museum of Art, to which it travels later in the year) of the work of one of the most popular masters of *modernism, still* at work in his 99th year and last survivor of the artists' Paris of its great period before the first world war.

Chagall, for all his popularity, has remained a maverick artist, idiosyncratic and independent, and hard to categorise. We now see, however, that he has always been a good artist, and at times, most notably in that first time in Paris after 1910, a great one. The work of his extreme old age, moreover, does him more than credit, representing no falling *off in its technical* command or imaginative authority, but simply a restatement of the poetic images and ideas that have always haunted him and he has made his own – the soaring and *floating* lovers, the clowns and musicians, the flowers and trees, and that strange, colourful domestic bestiary of cocks and hens, goats, cows and asses.

Renoir – a survey of the life's work of the artist who, more than any other, has come to be seen as the quintessential Impressionist. Yet this easy labelling is now shown to be a gross and misleading over-simplification. In Renoir, once the label falls away, we find a wonderfully instinctive painter, aware of what his fellows were doing and responsive to it, but never the creature of theory, analysis or programme. The later works, hitherto *considered so difficult,* stand as major works in their own right. Organised by the Arts Council and sponsored by IBM, this fascinating and beautiful show goes on to Paris, where it will be much extended, and to Boston.

PARIS

Hans Holbein the Younger (1497-1543): Thanks to the acquisitions by Louis XIV, the Louvre boasts one of the richest and rarest *collections of the court painter of* Henry VIII. Five of his masterpieces, portraits of Erasmus and Anne of Cleves among others, retrace his artistic development, accompanied by several drawings of equally prime importance. The exhibition is completed by paintings from the royal collections thought, mistakenly, to be by Holbein. Louvre, Pavillon de Flore, Porte Jaujard (260 3926). Closed Tue, Ends April 15.

Odilon Redon. Some 500 oils, drawings and pastels given by Ari and Suzanne Redon show the symbolist painter's anguished isolation from the mainstream of impressionist painters while he follows the torments of his imagination and the inspiration of his dreams. Musée d'Art and Essai, 13 ave President Wilson (723 3653). Closed Mon. Ends April 30.

ITALY

Venice: Museo Correr: Cezanne, Monet, Renoir, Van Gogh, Gauguin, Matisse and Picasso from the Hermitage in Leningrad and the Pushkin in Moscow. Ends April 14.

Naples: Museo di Capodimonte: 'Naples in the 17th Century': for lovers *of Baroque. An exuberant exhibition* of paintings, marbles, silver and furniture dating from a period when the city was the second in Europe after Paris. Ends April 14.

Herculaneum (Naples) Villa Campolieto: An exhibition entitled Terrae Motus – of modern paintings which are the beginnings of a new contemporary arts centre here: works by Warhol, Pistoletto, Beuys, Mapplethorpe, Twombly and Haring. Until April.

Florence, *Palazzo Pitti: Infant Princes:* Children's Clothes in the 17th century: A curious exhibiton of 24 portraits from the period when children began to be autonomous subjects for painters – mainly the Medici children. The paintings travelled, as photographs would now, between Florence, Rome and Vienna for the *benefit* of noble grandparents and prospective suitors. Until April 21.

NETHERLANDS

Amsterdam, Van Gogh Museum. A large selection from the holdings of the city's Stedelijk Museum provides a comprehensive survey of the "Dutch identity" in art since 1945: from Cobra and the Informal Group, via Zero and conceptual art, to the New Realists and the exuberant expressionism of the emerging generation. Ends April 15. (The permanent Van Gogh exhibition has moved to the top two floors for the duration).

NEW YORK

Treasures from the New York Public Library: 260 works chosen from one of the five best library collections in the world may cover America better than Europe, but the inclusion of a Gutenberg Bible, the Tickhill Psalter and French bindings supplements Americana, such as examples *of Melville's work,* announcements of the discovery of New York, and one of the earliest globes. Ends May 24. (42nd & 5th Av).

WASHINGTON

National Museum of American Art: 49 works by five 19th century black artists highlight a show of a little-known area of American art. It reminds the world of Joshua Johnson, the first recognised black American portrait painter; Henry Ossawa Tanner, a student of Thomas Eakins and neo-classical sculptress Edmonia Lewis. Ends April 7.

CHICAGO

Art Institute: 82 great architectural drawings cover the last five centuries in this show lent by the Royal Institute of British Architects. Ends Mar 31.

TOKYO

Alex Colville, Canadian realistic artist who limits his output to three major works a year exhibits 35 paintings. Tokyo Metropolitan Teien Museum. Ends Mar 21 (443 2021).

Saleroom/Antony Thorncroft

Constable in demand

A portrait by Constable of *Mary, William* and George Patrick Lambert, which for many years had been known only through photographs, sold for £242,000 at Sotheby's yesterday to a private English buyer. The price was comfortably above forecast.

Constable painted the attractive *group in 1825. Originally,* the children's grandfather was to have been portrayed with them but hsi place was taken by the family's pet donkey, and he was painted separately. Another work by Constable, a sketch of Flatford Mill, later the subject of one of his major paintings, sold for *£121,000* to another private buyer.

The Victoria and Albert Museum paid £15,400 for a por*trait of the* sculptor Joseph Wilton and his wife and daughter. It was of particular interest to the museum because it shows the sculptor working on the designs of a mantelpiece (for the Earl of Northumberland) which is now in the V & A's collection.

There was a surprisingly high price of £83,600 for a portrait by Nathaniel Dance of Thomas Assheton-Smith, who was a major slate quarrier in Wales early in the 19th century. It was a record for the artist. Colnaghi paid £33,000 for a portrait by Lawrence of Charles Binny and his two daughters (which sold at Christie's in *1902 for 1,950 guineas*), and a Zoffany portrait of an officer sold for £20,900.

An important picture by John Cleveley the Elder showing the launch of HMS Edgar at Rotherhithe in 1758, with the state barge in the foreground, failed to find a buyer and was bought *in at £32,000.*

But the shock of the sale was the price of £269,500 paid by another private English buyer for a large equestrian group by John Wootton. It was a record for this fairly rare artist, and had been estimated at £40,000-£60,000. Another record price for an artist was the £60,500 that secured a shipping scene of Jersey by Thomas Whitcombe.

The auction of British art was a *great success, totalling* £1,674,400, with 7.5 per cent unsold. Apart from the records, and the English buying, national museums were successful bidders. As well as the V and A, the Tate paid £8,250 for a portrait by Kneller of John Smith, Speaker of the House of Commons, 1705-08; and the National Museum of Wales £1,980 for another portrait of Thomas Assheton-Smith, this time in old age and painted by Sir William Beechey.

A final high price was the £66,000 which acquired three hunting scenes by Henry Alken, Snr.

JOBS COLUMN

Need for better judgement at the sharp end

BY MICHAEL DIXON

IT CAME as a surprise the other day to hear a marketing manager from a multinational computer company suggesting that its future is endangered by its best performing sales staff.

"They sell our stuff like hot cakes, particularly to smallish businesses. The problem is that they're so good at selling that a lot of customers, who're strangers to the technology of course, end up with pretty expensive installations which aren't suited to their needs. That chokes off the prospect of repeat sales, which we look bound to have to depend on in the longer run.

"Don't get me wrong. Top-notch selling ability will always come first at the sharp end of marketing. But it's no longer enough on its own. There's more and more a need for something else. You could call it 'judgment' I suppose."

Those comments by the marketing manager illustrate a change affecting a good many western economies, which this column suspects is rapidly making obsolete established attitudes to work. And nowhere do those attitudes seem to be falling behind reality faster than in Britain.

Top people in society here tend to view the world of work as divided into jobs of two broad kinds: superior and inferior. The superior kind consists of thinking jobs, exemplified by the professions and management. People in such jobs are seen as employed to think up what should be done and the best ways to do it. They then hand down their thoughts in the form of plans, procedures and other instructions to be followed by the inferior job holders in making and doing what their superiors have ordained.

In contrast to their American counterparts, Britain's elite generally look down with especial distaste on selling. It is typically regarded as fit only for low-browed glib cheap-jacks who are sent around to talk parrot-fashion at a succesion of potential customers, in an attempt to smarm them into buying certain standard products in accordance with standard terms and conditions.

Even if it has ever been possible to sell successfully as mindlessly as that—which I doubt—it is surely becoming less possible daily. As the things to be sold get more complex, salespeople increasingly have to be able to work out which of the many variations of their products will best meet the customer's wants. When the product is costly, they also need the ability to work out and suggest which ways of paying for the purchase will best suit the buyer.

Any one sale is therefore becoming less and less like another. The job of selling is increasingly made up of a series of creative acts.

A similar change may well overtake "making" jobs in production. Unless we can quickly perfect a transplant operation to replace the British populace's characteristics with those of the Japanese, this country would seem unable to rely mainly for its future living on mass production of standard goods and services.

Excellence

One promising alternative could be increases in the batch production of far smaller quantities of more specialised items to the particular needs of a specified customer. That would need frequent changes of machine-tool settings together with excellence of manufacture.

The required combination of flexibility and quality is offered by the new computer numerically controlled machine tools. Each of the CNC tools can be pre-programmed individually to achieve a good standard of product. But tests have shown that an even higher quality can be attained by a human operator who, as well as being trained in the appropriate computer skills, has the ability to judge the niceties of the job in hand and can adjust the machine settings as the work proceeds.

To profit fully from that possibility, we should have to stop organising manufacture on mass-production lines, with the "thinking" parts of the work and the "making" parts being done by two separate sets of superior and inferior people. Decisive responsibilities of the thinking kind would have to be returned to the person actually working the machine.

But here again, just as in selling, success would depend on the availability of operators with the necessary "judgement." The question is how to obtain them.

The conventional answer is by training the selling and operating skills into people who have succeeded in academic examinations, perhaps right up to degree level, and so learned the relevant theories to be thereafter applied in doing the work. The only trouble is that it is a wrong answer.

Few if any jobs requiring real exercise of skill are done by a two-stage process of first summoning up the appropriate theory and then applying it in practice—not even a job as highly intellectual as pioneering research in physics.

Otherwise the nuclear physicist Sheldon Glashow would not have gone on to win his 1979 Nobel Prize. He would have given up the project years before when he found that what he needed to do next was ruled out by the prevailing theory as impossible. Instead he just overlooked the theoretical impasse, pressed on and showed the theory was wrong. The nonsense of regarding such skilled work as a two-stage process was further confirmed a few days ago by another nuclear physicist, Dr Roger Cashmore of Oxford University. "I don't work by first thinking what to do and then doing it," he told me. "The thinking is embedded in the doing as I go along, and can't be separated from it."

In the case of most skilled jobs, which are far less intellectually orientated than science research, the learning of theory promoted and examined by academic education has only a minor role in equipping a person to do the work well. Theoretical learning of that kind was characterised by the philosopher Gilbert Ryle as made up of a series of "know-thats," such as that the Battle of Waterloo was fought in 1815. But skilled work depends primarily on the different kind of knowledge which he termed "know-how," which is more complex.

It seems clear that know-how must entail a certain number of know-thats. For the most part they would seem to be of the commonsense kind. In the sales expert, for instance, they would include knowing that the product could be made to do some things and not others. But since theory—unlike know-how—can be false, the absence of know-thats which are wrong is as important as the presence of know-thats which are right.

Equally essential to the practical judgment required by skilled work is another kind of knowledge consisting, not of knowing about things as one might know about Napoleon, but knowing them directly as one knows a close friend. Skilled makers, for example, need to know their tools and materials in this way.

But know-how depends on a further ability which the Nottingham University psychologist John Shotter terms "knowing of the third kind," or "knowing-what-it-is." In the makers' case, it is represented by knowing what it is that constitutes an acceptable finished product or, in other words, being aware of the necessary standards of the craft.

There seems to be only one way of acquiring the crucial third kind of knowledge. It is by tackling the work in question for real, preferably under the guidance of a proven expert. So businesses whose prospects depend on developing better judgment in their front-line workers, apparently need first to reorganise so that those workers have more responsibility for making decisions, and second to invest more in apprenticeship training.

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You will be expected to provide specialist help to firms in Lambeth with property problems and will spearhead the council's initiatives to match company property needs to local opportunities. In addition you will be responsible for providing advice and assistance to clients on a broad range of issues relating to business enterprise. A knowledge and understanding of business skills and industrial and commercial sectors would be an advantage. An appreciation of the needs of black businesses is essential.

The post is jointly funded with the Department of the Environment under the Lambeth Inner City Partnership Programme and funding is initially available up to 31st March 1988.

Individuals can apply for job sharing.

Application form and Job Description are obtainable from the Recruitment Section, Directorate of Management Services, London Borough of Lambeth, 18 Brixton Hill, SW2, or Tel. 01-274 7722, ext 3008. Closing date: 29th March 1985.

As part of Lambeth's Equal Opportunities Policy, applications are welcome from people regardless of race, creed, nationality, disability, age, sex, sexual orientation, or responsibility for children or dependants.

LAMBETH
ENTERPRISE & EMPLOYMENT
PROGRAMME

CITIBANK BUSINESS BANK

Relationship Managers

Citibank Business Bank is an entirely new marketing approach to the banking needs of medium-sized growth companies within the UK. A division of Citibank NA, it offers an advanced and responsive service which has previously only been available to the largest international corporations, dealing directly with the City of London. This service is delivered by a growing network of regional offices.

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Citibank NA, PO Box 78, 336 Strand, London WC2 1HB. Telephone 01-240 1222.

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Fully expensed executive car
Excellent benefits
Relocation assistance if necessary

About Us

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Having spent 18 months restructuring ourselves towards higher volume, higher quality production, we are now in a position where we wish to appoint a Finance Director.

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Aged 30-40 you are a **qualified Accountant or M.B.A.** who is also **entrepreneurally minded with a background of extensive exposure to manufacturing industry.** You have a particular *interest in pursuing your career in the smaller expanding company where involvement is the* key and your undoubted talents are instrumental in the successful growth of the company.

Reporting to the M.D. your responsibilities will include control and development of all aspects of finance, administration and computers, as well as active involvement in cost control and financial advice to senior management. Preparation of financial evaluations, planning, negotiations and company secretarial duties complete the package.

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In addition to a salary up to £25,000, fully expensed executive car, private health, pension and other benefits, we also envisage an equity share within 2 years on the back of proven performance.

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We require outstanding Customer Dealers to join our high calibre team in London and in major U.K. business centres.

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CITIBANK

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Confidential Reply Service: Please write with full CV quoting reference 1936/RS on your evelope, listing separately any company to whom you do not wish your details to be sent. CV's will be forwarded directly to our client, who will conduct the interviews. Charles Barker Recruitment Limited, 30 Farringdon Street, London EC4A 4EA.

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£15,000 + Benefits

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All applications will be treated in confidence.
In the first instance please forward Curriculum Vitae to:-

DAVID WILLIAMS (REF F/T)
Jonathan Wren & Co. Ltd., 170 Bishopsgate, London, EC2M 4LX.
Tel. No. 01-623 1266

Jonathan Wren
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I. A. Duncan, F. H. Tomkins p.l.c.
Hyde Park House, 60a Knightsbridge, London SW1X 7JZ

APPOINTMENTS ADVERTISING
IS CONTINUED TODAY
ON PAGES 13, 14, 15, 16, 17, 18, 24, 25

International Appointments

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*For further information and an application form please telephone **Helen Griffey, 01-408 1010, ARA International, Edman House, 17-19 Maddox Street, London W1R 0EY. (Agy)***

ARA International
SEARCH, SELECTION AND RECRUITMENT ADVERTISING

Accounting Training & Systems Adviser
Tuvalu

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Major responsibilities will include consultation with heads of Departments together with the reviewing of existing accounting procedures and documentation; recommending procedural changes where appropriate.

A prime task will be to assist the Secretary for Finance in the administration of the Ministry.

Applicants should be British Citizens, and be a member of the ICA, CIPFA, ICMA or CACA. Five years post qualification experience is essential and overseas experience is desirable.

The post, on contract to the ODA, is on loan to the Government of Tuvalu, for a period of two years. Salary (UK taxable) in the range £16,825 to £20,100 pa, including an element in lieu of superannuation which will be abated if ODA can continue payment into the candidate's existing scheme. A variable tax free Foreign Service Allowance, currently in the range £2,305 to £5,445 pa, is also payable. The post is wholly financed by the British Government under Britain's programme of Aid to the developing countries. Other benefits normally include paid leave, free family passages, children's education allowances, free accommodation and medical attention.

For full details and application form, please apply quoting ref AH312/JM/FT, giving details of age, qualifications and experience to:
Appointments Officer, Overseas Development Administration, Room 351, Abercrombie House, Eaglesham Road, EAST KILBRIDE, Glasgow G75 8EA.

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The prime duty — responsible to the Board — will be INTERNAL AUDITING of the finance and accounting at all hospitals of the Group and based at the Group Headquarters in Jeddah will form and lead a small team.

Experience should preferably include hospital/health care finance/accountancy. Knowledge of the Arabic language is essential and although fluency is sought, consideration will be given to candidates whose language abilities are slightly less.

Excellent (tax free) salary and benefits which include married accompanied status, newly and luxuriously furnished accommodation, generous leave schedule, air tickets and free medical care.

C.V.s please (ref JHC—2) to:
Dr H. Mutabagani — Director, Jeddah Clinic Hospitals
Suite 1, 4th Floor
1 Great Cumberland Place, London W1H 7AL

Manager, Accounting
Middle East Financial Institution

Our client, an important Middle Eastern financial institution with assets exceeding $3 billion and engaged in a full range of merchant banking services is seeking a Manager, Accounting.

The successful candidate will be based at our client's headquarters in the Middle East and will supervise an accounting staff of 15 – 20 people. He will have overall responsibility for the accounting functions of the institution including the preparation of financial statements and Central Bank reporting. He will also assist in the study of further developments in the automated accounting and costing systems. The Manager, Accounting will report directly to the Deputy General Manager.

The ideal candidate will be a qualified chartered accountant working for a commercial bank, merchant bank, or equally appropriate financial institution. He should have at least ten years work experience, five of which have been in a management capacity. Fluency in Arabic is preferable, although not required.

The position offers a very attractive salary in excess of £70,000 plus expatriate benefits.

Please reply in confidence with full career details to:

St. James's Corporate Consulting,
Box FT/902, St. James's House
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2. LEGAL — Verification and drawing up of legal contracts and agreements connected with the Corporation's business.
3. PROJECT ENGINEERING — Preparation of specifications and tender documents, evaluation, execution and control of projects.
4. CHEMICAL ENGINEERING — Specialised experience in LNG Projects/Process Plants is essential.
5. PETROLEUM ENGINEERING — Specialised experience in reservoir engineering and production technology is essential.

APPLICANT SHOULD HAVE:

- An appropriate educational background and where applicable a recognised professional qualification.
- A minimum of 10 years of progressive and varied post-qualification experience in large industrial organisations, preferably in the petroleum industry.
- Proficiency in English is essential and that of a second language such as Arabic or French is preferable.

SALARY OFFERED WILL BE COMMENSURATE WITH QUALIFICATION AND EXPERIENCE

Qualified candidates should submit in confidence a résumé with salary history and expected salary to:

RECRUITMENT CO-ORDINATOR
QATAR GENERAL PETROLEUM CORPORATION
P.O. BOX 3212
DOHA, STATE OF QATAR

European Marketing Manager

KMG Klynveld Main Goerdeler, the international accounting organization requires a young energetic European national to assist its international Executive Office in coordinating the marketing activities of its European member firms.

The right person will ideally have five to seven years experience in marketing, sales or public relations in a professional or financial services organization. He or she will be willing to travel extensively in Europe, will be competent in English, French and German, and willing to relocate in Amsterdam. This is a career position with attractive remuneration, benefits and excellent potential for advancement.

Please respond with a résumé including previous experience and compensation requirements to James I. Johnston by April 9, 1985.

*KMG Klynveld Main Goerdeler,
Executive Office
P.O. Box 7259 1007 JG
Amsterdam The Netherlands
Telephone 31(20)42 42 45.*

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What an environment in which to work! But of course behind the glamour of all these attractions lies the need for highly skilled management.

Our client, part of a substantial British Plc, is a major property company and luxury resort operator in Spain. They require a resident Financial Controller to be responsible to the Resort Director for financial management, information systems development and budgetary control.

Applicants must be Qualified Accountants, aged 30-45, with several years post-qualifying experience including Group reporting, cash management and computerised information systems development. A knowledge of Spanish is essential and some overseas experience would be an advantage.

The position will involve frequent travel to London to review the operations of the marketing office.

Benefits include family accommodation, car, pension and BUPA with travel concessions for family. There are excellent career prospects within the group.

Please send concise details, including current salary and daytime telephone number, quoting reference L2012, to W.S. Gilliland, Executive Selection Division.

Thornton Baker Associates Limited, Fairfax House, Fulwood Place, London WC1V 6DW.

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An International Association of Employers providing confidential information to its member companies, relating to employment of expatriates and nationals worldwide.

01-637 7604

Financial Management
Saudi Arabia

Our client is an engineering company with offices in the Middle East, Europe and the U.S.A.

The main thrust of their operation is in Saudi Arabia where they have a turnover in excess of £30 million and employ over 300 staff.

We have been asked to assist them in recruiting the following senior accountancy personnel for Saudi Arabia.

Financial Controller
Circa £30,000+ p.a. (Tax Free)

Reporting to the Group Financial Controller, the person appointed will have total responsibility for the financial accounting affairs of their Saudi Arabian activities including bank relations, tax and audit.

Applicants aged 30 plus, should be qualified accountants with extensive experience in the profession and ideally they should also have spent time working overseas in an engineering/contracting environment.

They must be able to demonstrate the ability to control and manage a department, and, as accounting records are computerised, familiarity with such systems would be an advantage.

Management Accountant
Circa £22,000+ p.a. (Tax Free)

Candidates aged 27 plus must be qualified accountants, and experience should ideally include some time overseas in an engineering/contracting environment. Familiarity with computerised systems is essential.

These are permanent positions based in Riyadh. In addition to the tax-free salary indicated there will be a comprehensive benefits package which includes £3,000 p.a. food allowance, free furnished accommodation, medical treatment, and regular home leave. Furthermore, there are very good prospects for career advancement both within Saudi Arabia and the group as a whole.

Applicants should apply initially to the address below giving brief details of their career to date. Applications should be marked 'Confidential' and include a covering note indicating any organisation to which they should not be forwarded.

Please quote reference number 7293 and address applications to G. Fox,

Coplan
Recruitment Consultants
21-22 POLAND STREET LONDON W1V 3DD

GRACE

The Industrial Chemicals Group of W. R. Grace seeks for its European headquarters offices in Paris, France, and in Lausanne, Switzerland:

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Key responsibilities are:

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— Evaluation of project performance achieved as compared with performance projected at the time of submission;

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— A variety of special projects such as capacity and strategic marketing studies.

The preferred candidates, between 24 and 30 years of age, will be university graduates or will have an equivalent professional qualification in a financial discipline. An MBA degree from a major business school would be considered an advantage.

A quick analytical mind, the willingness to attend to detail, the ability to relate at a senior management level and to work under pressure, are all essential qualities. An excellent command of written and spoken English is a basic requirement.

These positions offer the opportunity to gain varied experience and visibility at senior levels in the Company. The successful candidates will have the benefit of exposure across all management functions in a variety of businesses throughout Europe.

Employment terms and conditions are those appropriate for a major multi-national company.

Please send your application with a current curriculum vitae to either:

Mr. R. G. Jeffrey
Grace Industrial Chemicals Inc.
Avenue Montchoisi 35
Case Postale
1001 LAUSANNE
Switzerland

or

Mrs. B. Roussoulière
Grace Industrial Chemicals Inc.
40, Boulevard Henri Sellier
92150—SURESNES
France

Internal Auditor
International Merchant Bank
PARIS BASED

Internal Auditor, required by Paris-based International Merchant Bank specializing in corporate financial services, treasury and foreign exchange, loan management and bond trading.

Applicants should possess experience of auditing similar operations, probably obtained from working in another bank, or by employment with an international accounting firm, be French and English speaking (pref. French or EEC National).

Remuneration in accordance with experience and qualifications.

Applications with detailed curriculum vitae will be treated in the strictest confidence and should be sent (reference 78361) to HAVAS-CONTACT 1, place du Palais-Royal - F - 75001 PARIS who will transmit.

HAVAS CONTACT

Accountancy Appointments

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000

Thursday March 14 1985

Retreat from Lebanon

ISRAEL'S invasion of Lebanon in June 1982 is proving day by day to have been one of the most disastrous decisions in the history of the state. The ambitious intention had been to eliminate at a stroke the military capacity of the Palestine Liberation Organisation and in so doing create a friendly neighbouring state under firm Christian Maronite control and largely free of Syrian influence.

The various stages of the disaster have been well charted but only now are the wider, long-term threats becoming apparent. The Lebanese people, who had historically been spectators of the Arab-Israeli conflict, are fast becoming among the most committed participants. The Shi'ite Moslems of the south, Lebanon's single largest religious community who initially welcomed the Israeli troops, have been transformed into the most ferocious resistance force ever faced by Israel. The Maronites, *far from ruling* Lebanon, are bitterly divided among themselves.

The savage determination of the Shi'ite guerrillas in the south to force Israel's withdrawal is being responded to by Israeli troops in a manner which appears certain to intensify *the bitterness of the local* population and increase the cycle of violence. More alarmingly *for* Israel *and for some* of the more moderate leaders in the Arab world, the Shi'ite response *to occupation* is inevitably being cited as an example to the Palestinians in the West Bank and Gaza.

Iran is already preparing its Shi'ite population for the advent *of* the *world's* second Islamic Republic, albeit in only part of Lebanon. According to *Tehran the forced Israeli* retreat illustrates the power of Islam to achieve what Arab nationalism *could not do in more* than three decades. More than that, it is the bridge that will unite *the Shi'ite* and *Sunni* branches of Islam in a common purpose.

Opinion polls

Such propaganda becomes far more potent at a time when the pursuit of a negotiated Middle East peace is bearing all too litle fruit. President Mubarak of Egypt appears to have won little encouragement in Washington this week for his latest efforts. King Hussein and Mr Yassir Arafat, chairman of the *PLO*, have made some progress on a joint negotiating position but such are Palestinian divisions that efforts are already being made to revise it.

An increasingly radicalised Arab world plays only into the hands of the extremists on both sides of the Palestinian divide. It will make the more flexible Arab leaders wary of *further* peace efforts and will fulfill the assertions of hardline Israelis *that their neighbours have* never been willing to live in peace.

The most effective way of checking this trend would be for Israel to get out of Lebanon in five days rather than five months. Public opinion polls in Israel show that over 90 per cent of the population would support such a decision. It would immediately end the flow of Israeli casualties and halt the serious decdline in morale among its troops. It would save Israel substantial sums of money and *it* would return responsibility for Lebanon to the Lebanese and to Syria which *will assuredly be far more adept* at handling Shi'ite militancy.

Peace pretext

Remaining for another *few* months in Lebanon will not succeed in making a retreat *look* like a dignified withdrawal. For the majority of Israelis it must *be doubtful whether the price is* worth paying in terms of further casualties.

What withdrawal will not do is to guarantee "Peace for Galillee"—the pretext and codename under which *Israel* originally launched its invasion. Once Israeli forces pull back *from the Litani river*, its northern territories will again be within hostile rocket and artillery range.

According to United Nations figures, the death of no more *than six Israelis could be* blamed on cross-border activity in the four years prior to the 1982 *invasion*. That may be *of* little comfort to the Israeli government, especially to the Likud partners in the coalition who ordered the invasion, but it has to be compared with the 636 who have been killed subsequently in Lebanon.

Despite probable Iranian urgings, the Shias of south Lebanon appear to have little enthusiasm for carying their battle into northern Israel especially with so much to occupy them at home. Whether this will prove true if Israeli troops remain in Lebanon is more doubtful.

Israel should do now what it said it would do only a few days after the invasion—get out quickly.

Dry feet in the North Sea

KING CANUTE had to get his feet wet before he could convince his courtiers that he was *powerless to control the tides;* and *something of the same* logic may have inspired the Government in the timing of its decision to wind up the British National Oil Corporation. It has been clear for some months that, faced with what appears to be a structural glut of crude oil, *market participants* had become and would remain reluctant to trade more than a short way ahead of their immediate needs. This faced BNOC with only two choices: to buy participation oil under long-term contracts and sell at near-spot prices, generally incurring a loss; or to buy and sell at spot-related prices, acting as an unnecessary middleman. Rising worries about potential losses have made it easier for the Government to do a Canute. There will be few complaints *in London.*

Internationally, the move should cause no undue excitement, *since the spot price is* currently near to the Opec official price. Unless the members *of* Opec believe, improbably, that the oil majors have been awaiting this liberalisation before mounting a self-destructive price war on their own account, they will accept what the Government has in effect admitted: so far as world price trends are concerned, BNOC was already a powerless spectator.

Economies

BNOC may have had a marginal stabilising role when security of supply still *commanded a price premium,* but even then its influence was pretty small; the Government must now be regretting that its review of the question last summer came down in favour of retaining BNOC. In present conditions its only prospective role was to channel a government subsidy to the oil industry; and although most of this subsidy was clawed back in tax, it was an absurdity.

Apart from the economies to be gained by winding up a redundant trading organisation, the Government should gain a significant psycholological profit through handing pricing over openly to the market. We will be spared much empty debate about pricing "policy," and a series of minor exchange market flurries before each new announcement of the irrelevant BNOC price. The significant functions of BNOC—management of publicly-owned pipelines, and custody of the participation and payment-in-kind agreements which are an insurance of long-term UK security of supply—can adequately be handled by the small agency now proposed.

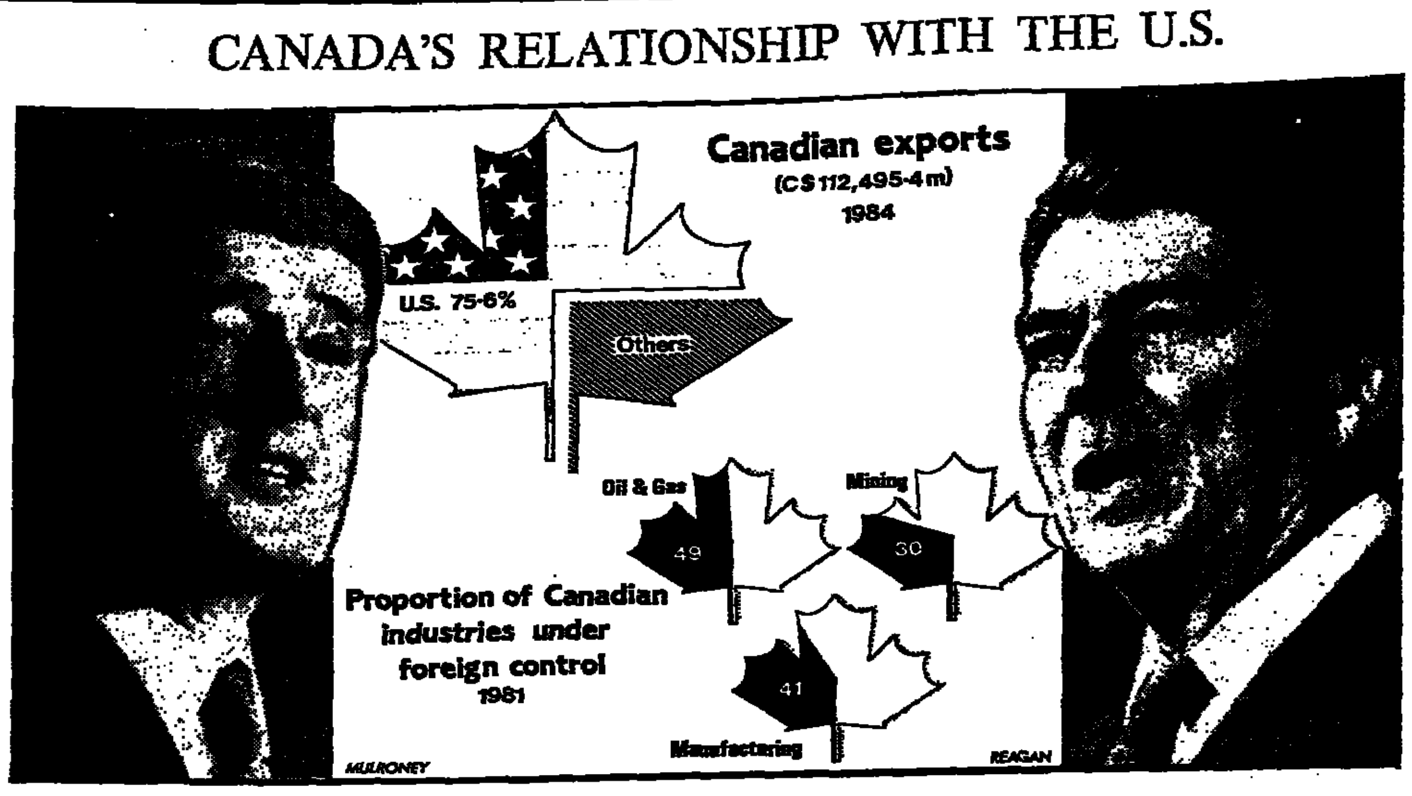
The abandonment of a pricing role *may also prove* advantageous to the UK as a whole if it allows public attention to *focus on the really important* questions of oil policy—and those in which the country does have the power to *protect its* own interests. These are the twin questions of depletion and development. Had these matters been debated more seriously in the past, major errors might already have been avoided.

Concessions

The need for a *policy* arises simply from the fact that the interests of the whole economy *are not identical to those of the* oil producers—whose own calculations are in any case largely determined by government decisions about the tax regime. Indeed, a regime designed to encourage exploration and development — invariably financed by a high marginal tax rate on the revenues of established fields—has the effect of making oil producers pretty insensitive to price movements *over quite a wide range* in deciding their own production rates. Their main aim must be to recover a very substantial investment quickly.

For the economy as a whole, *on the other hand,* large *swings* up or down in oil production and revenue can be and have been disruptive, like any other sudden structural change; the national interest lies in a sustainable flow of revenue which will diminish only slowly from its peak. Perhaps now, with a mind clear of irrelevancies, the Government can do better.

CANADA'S RELATIONSHIP WITH THE U.S.



Why Washington holds the trump cards

By Bernard Simon in Toronto

BILLED as the "Shamrock summit," because it takes place on St Patrick's Day, the get-together between Cana*dian Prime Minister* Brian Mulroney and President Ronald Reagan is to signal the start of *a new era in relations between* the world's two biggest trading partners. If the hopes of Canadian officials are fulfilled, the two-day summit (March 17-18) in Quebec City will pave the way for a new round of negotiations to dismantle trade barriers between the two countries and for action to curb acid rain, one of the most contentious issues in U.S.-Canada relations. A *treaty on west coast fishing* will be signed, and the finishing touches put to an agreement *for refurbishing the Arctic* early-warning radar network that protects North America against Soviet bombers and cruise missiles.

But to the frustration of the Canadians, the performance of the U.S. dollar is again demonstrating that—whether on defence, acid rain or free trade—almost all the trump cards are in Washington's hand. At a time when Canada has low inflation and a trade surplus but double-digit unemployment and mediocre economic growth, the jump in the U.S. dollar has forced Ottawa to allow the Canadian currency to tumble to record lows, *pump up interest* rates and borrow heavily to shore up the official reserves. *In the past few weeks* the Canadian dollar has slipped from U.S.75c to around 72c: *short-term interest rates* have risen almost two percentage points: and the Canadian Government has drawn a hefty U.S.$1.4bn from credit facilities with international banks.

Mr Reagan need not worry that the impact of the runaway dollar on his neighbour's economy will sour the Shamrock summit. The priority for Mr Mulroney and many other Canadians is to rebuild their "special relationship" with the U.S. "Even more than Margaret Thatcher," says one senior Canadian diplomat. "Mulroney wants to be seen as Ronald Reagan's closest ally and friend."

It is still far too early to tell whether the blooming friendship will *strengthen* the hand of North American continentalists who argue that a *lowering of commercial and* other barriers is not only desirable but also inevitable for two countries *sharing* the world's longest undefended frontier and a common business culture.

The present climate of goodwill may equally plausibly turn out to be merely another episode in the long history of ups and downs in U.S.-Canada relations.

Canada's relationship with its powerful southern neighbour is an evergreen topic of debate among the country's politicians, businessmen, trade unionists and academics.

The relationship is part of Canadians' everyday lives. The U.S. bought 76.3 per cent of Canada's exports in 1984 and supplied 72 per cent of its foreign purchases. U.S. companies account for more than three-quarters of foreign investment in Canada. Seven of the 12 biggest privately-owned firms in the country are American-owned.

Many Canadians spend their evenings tuned in to *U.S.* television stations and take their holidays in California or Maine. *Their sports teams play in* U.S. baseball and ice hockey leagues. About 40 per cent of Canadian *trade unionists belong to* U.S.-based unions.

However, the former "special relationship" between Ottawa and Washington has gradually been eroded in the past two decades. By 1982, mounting strains had developed into what Toronto University's Prof Stephen Clarkson, author of a definitive book on the subject, called "the most serious crisis in Canadian-American relations in living memory."

Canada began pursuing a more independent foreign policy in the mid-1960s. When former Prime Minister Lester Pearson criticised U.S. bombing of North Vietnam, President Johnson summed up Washington's paternalistic attitude towards its backyard neighbour by complaining that Mr Pearson had "peed on my carpet."

The immediate cause of the 1981 crisis was the National Energy Program (NEP) adopted by the Liberal Government of Mr Pierre Trudeau as a means of expanding domestic control of the Canadian oil and gas industry, and strengthening the Federal Government's hand against the oil-producing provinces.

Bad feelings were compounded by several other points of friction. U.S. investors *in Canada objected strongly to* a 1974 law empowering the Canadian Government to screen *new foreign investments*. Each country accused the other of not pulling its weight to clean *up air and water pollution*. A large trade deficit with the U.S. even raised questions in Canada *about the benefits of the Auto*pact, the 1965 free trade agreement in motor vehicles and parts.

Much has changed in the past four years, and many Canadians have begun asking whether the time has not arrived to try to re-establish the "special relationship."

The business community has enviously watched the U.S. economy outperform Canada's in the past few years, and nervously noted Washington's moves towards greater protection for domestic industries.

A growing number of Canadian companies — Northern Telecom, International Thomson, Olympia and York, and Macmillan Bloedel are four notable examples—have invested heavily in the U.S. to take advantage of the huge market, a less regulated business *environment* and lower costs and to forestall any U.S. protective measures.

In the process, the traditional fear that Canadian business cannot stand up to the Behemoths *from the south is gradually fad*ing in some influential circles. Mr Paul Martin, chief executive of CSL group, a leading Canadian transportation company, said recently that "my generation of entrepreneurs is no longer worried about protecting Canadian sovereignty. We just want to go after foreign markets. Why not let everybody into our home markets?"

Likewise, greater U.S. investment in Canada has recently been welcomed as a way of bringing down Canada's 11 per cent unemployment rate.

The shift in Canadian Government attitudes has not taken place overnight, but the landslide victory of Mr Mulroney's Progressive Conservative Party in last September's federal elections is certainly a landmark.

The heated atmosphere of 1980-81 began to cool shortly before the election, when U.S. Secretary of State George Shultz and his Canadian counterpart, Mr Allan Maceachan, agreed to hold quarterly meetings to discuss bilateral issues. The Liberal Government of Mr Trudeau had already softened rules for foreign investors in 1982 and stepped up defence spending to counter U.S. com*plaints that Canada* was not pulling its weight in Nato.

> Critics say that Mr Mulroney has given away the shop before being asked the prices

Talks on dismantling trade *barriers in four sectors*—farm machinery, urban transit equipment, special steels and computer *services* — have been under way for almost two years.

The arrival of the Conservative Government has added a new dimension to these initiatives. Mr Mulroney's own background is an important factor. Brought up in a Quebec town where the main employer was a U.S. paper company and working later as chief executive of a Cleveland-based mining group's Canadian subsidiary, the new Prime Minister has experienced at first hand the benefits—and also the problems — of U.S. investment in Canada.

While the Trudeau Government drew the rump of its support from Ontario and Quebec, the Conservative administration has substantial backing in the extreme western and eastern provinces. Canadians living in British Columbia in the west or New Brunswick in the east have more in common on many issues with neighbouring U.S. states than with the rest of their own country. They thus tend to be favourably disposed to closer ties with the U.S.

The West and the Atlantic provinces, being largely dependent upon primary industry, traditionally like the idea of free trade with the U.S. in order to gain access to cheaper manufactured goods. However, Ontario has traditionally wanted its manufactured goods to be protected against American and other competition. *The novelty* is that even in Ontario the belief is spreading that some*thing is to be gained from freer* exchanges with the U.S.

So eager has Mr Mulroney been *to show goodwill towards* the Reagan Administration that critics already charge him of *giving away the shop before the* customer has even asked his prices.

One *of* the first pieces *of* legislation published by the new Government was a Bill further easing restrictions on foreign investment. The Conservatives have agreed to abolish some of the most blatantly discriminatory provisions of the NEP and to strengthen Canada's Nato forces. Ottawa recently published a trade policy discussion paper pointing out the benefits to Canada of closer trade links with the U.S.

While Mr Trudeau irritated the White House with his superpower peace initiative, Mr Mulroney has earned its gratitude by publicly endorsing the Star Wars strategic defence initiative. In a move clearly timed to please Washington ahead of the Shamrock summit, Ottawa announced this week that Canadian armed forces stationed in West Germany will be expanded by 1,200 troops, about 20 per cent of the total.

Last month he conceded that Canada cannot expect the U.S. to take action on acid rain until Canadian provinces tighten their own pollution controls.

Encouraging as these initiatives may be to the continentalists, it is by no means certain that they will produce concrete results, especially in the short term.

Influential sections of Canadian society still see closer links with the U.S. as more of a threat than an opportunity. Small and medium-sized manufacturers in the industrial heartland of Ontario, saddled with high labour costs and relatively small production runs, fear that further trade liberalisation will allow U.S. suppliers to swamp their markets.

Talk to Canadians about lowering commercial barriers with the U.S. and it is not long before someone will voice concern about "maintaining our cultural identity." Although they happily tune into Dallas and Dynasty, many Canadians also support heavy Government subsidies and protection for indigenous performing arts and *other cultural activities*, such as book publishing.

On defence policy, Canada's vociferous anti-nuclear lobby has forced the Mulroney government to reaffirm that no nuclear weapons will be stationed on Canadian soil.

Meanwhile, few Canadians have so far stopped to consider whether the American enthusiasm for new closer links matches their own. A Food and Drug Administration decision declaring Canola oil (an important Canadian export) fit for human consumption, and a decision not to enforce tough new restrictions on the use of asbestos have encouraged Ottawa to believe that the U.S. may be willing to take its hand.

It appears, however, that Washington's main aim is to secure a reversal of the foreign investment, defence and energy policies which soured relations with Canada in the early 1980s, rather than press ahead with costly and politically-sensitive programmes for pollution abatement or trade expansion.

The Americans have made it clear, for instance, that trade liberalisation must benefit U.S. industries, and should not conflict with Washington's multilateral trade commitments.

Significantly, the sectoral free trade talks, begun in 1983, *have so far achieved little*. Progress on special steels and urban transit equipment is hampered *by U.S. objections* that its industries will lose far more than they gain. The Canadian side is *stonewalling on computer* services for the same reason, leaving only farm machinery where both sides appear willing to make meaningful concessions.

Action to counter acid rain has been held up by U.S. insistence that further research is needed. Even the smallest abatement programme would involve substantial costs which Washington appears in no mood to incur in the present budget-cutting climate.

Mr Mulroney faces the difficult challenge of simultaneously trying to convince President Reagan that reviving the "special relationship" may be in the U.S.'s interest, while showing Canadians that the benefits of closer ties with the U.S. will outweigh the costs.

Men and Matters

Space for the Press

Dr George A. (Jay) Keyworth, president Reagan's science adviser and star wars supremo, visiting London yesterday, denied he is hostile to the Press. He could think of journalists among his friends, he said.

Keyworth has taken a pounding from the U.S. Press recently since the Washington Post prominently reported he believed, "Much of the Press is trying to tear down America."

He was reported as saying that "much of the Press seems to be drawn from a relatively narrow fringe element on the far left of our society." One *Washington commentator called* his views "cracknot."

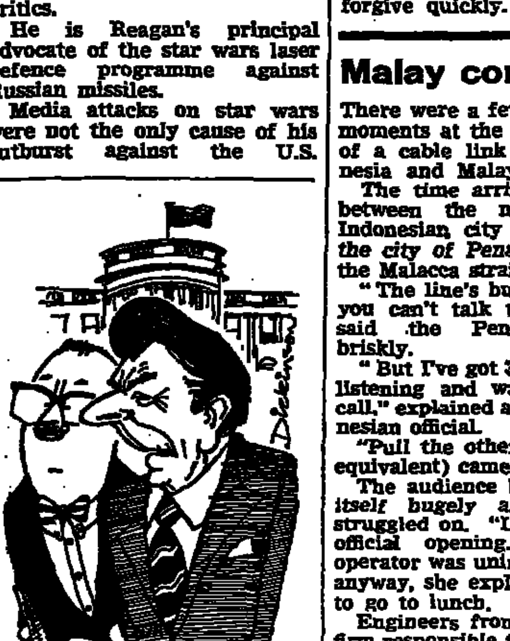
Keyworth, in his mid-forties, *a physicist, happily married for* 23 years, can perhaps make a better case for being a stable personality than many of his critics.

He is Reagan's principal advocate of the star wars laser defence programme against Russian missiles.

Media attacks on star wars were not the only cause of his outburst against the U.S. *scribes. Other media* misdemeanours which have infuriated him have been highly *inventive accounts of the poten*tial hazards of biotechnology, and attacks on the U.S. electronics industry, *which* U.S. journalists claim is doomed to take second place to Japan.

His fury at what he calls "misjudgments" overflowed at a time when Walter Annenburg, the former U.S. ambasador in London, offered him a platform to talk to U.S. journalists. He used the opportunity, perhaps unwisely, to tell the U.S. Press what he thought of it.

Its members are not likely to forgive quickly.



"It's going to be difficult reaching an understanding with a leader who's too young to remember my movies"

Malay connection

There were a few embarrassing moments at the recent opening of a cable link between Indonesia and Malaysia.

The time arrived for a chat between the mayors of the Indonesian city of Medan and *the city of Penang just across* the Malacca straits in Malaysia.

"The line's busy and anyway you can't talk to the mayor," said the Penang operator briskly.

"But I've got 300 people here listening and waiting for this call," explained a harassed Indonesian official.

"Pull the other one" (or the equivalent) came back in Malay.

The audience began to enjoy *itself* hugely as the *official* struggled on. "Look, this is an official opening." Again the operator was unimpressed. And, anyway, she explained, she had to go to lunch.

Engineers from Siemens, the firm responsible for much of the project, began to look distinctly unhappy. But finally the con*nection was made. "What a* pleasure . . . and what an effortless call," said the cheerful *mayor of Penang.*

Third party

The political career of the eccentric Sir Eric Gairy, former Prime Minister of the Caribbean island of Grenada, seems to be finished.

The one-time night-club owner, spiritualist, and flying saucer enthusiast, controlled Grenada's politics with his "Mongoose Gang" for two *decades until he was removed* in a Left-wing coup in 1979.

Much to the embarrassment of the Americans, Gairy tried to make a come-back in the elections last year, which restored self-government to the island after the U.S. invasion in 1983. But his United Labour Party won only one seat.

Now that one successful candidate, Marcel Peters, has deserted Gairy, taking with him the three senators whom Gairy appointed.

All four have dissociated *themselves from Gairy's charges* that the elections, won easily by the moderate New National Party, were rigged by the U.S. To underline the break, Peters and the senators have formed another party and successfully wooed hundreds of Gairy's former supporters to their side.

Sky lights

When the first British commercial flight by Australian businessman Alan Bond's airship, *the Skyship 500,* took place over London yesterday, the payload was an 80-foot banner advertising Swan Lager. Well, Bond does own the brewery making this Western Australian nectar.

British sports events are a prime sales target for Bond's new machine—such business has ben made possible in *Britain* by the legalising of aerial advertising a year ago.

In California Japan's Fuji *Film company has ben paying* some $250,000 a month to lease a Bond *Skyship.*

Three months flying over California took Juji's market share in the setate from 6 per cent to 21 per cent—although that might also have something to wo with the *publicising of* the company's products at the Los Angeles Olympics.

Alan Birshmore, a Bond Corporation director, was given the job of setting Airship Industries firmly on course in January, and Bond has now staked some £22m in the venture, *including financial guarantees.*

Next on the list of money-raising projects is the use of *electronic illuminated signs.* Passenger-carrying approval from the Civil Aviation Authority has been won at long *last*—although Birchmore says, "If you change the ashtrays you have to go through the CAA again."

Local talent

Quite the most interesting facet of commercial awards — and they are available these days for most fields of endeavour—is the unpredictability that accompanies them in spite of the best efforts of the public relations people.

When Egon Ronay presided in London yesterday at the Pub *of the Year award to accompany* the 1985 Guinness Pub Guide, the judging was in the hands of anonymous inspectors from his food organisation.

Even Egon reddened a trifle when the winning pub turned out to be his local. He honestly did not know, he told me.

If you happen to be in Berkshire the place to visit *is* the Royal Oak Hotel, Yattendon, run by Richard and Kate Smith.

Small progress

Speaking of the new technology: Sir Terence Beckett, director-general of the CBI, told an audience in Bristol yesterday of the firm making silicon chips whose research and development was so advanced *it* was looking for smaller premises.

Observer

Economic Viewpoint

Time to swot up on the 'policy mix'

By Samuel Brittan

Question: What is the "policy mix"?

Answer: The first question of *demand* management is always the policy aim. In what direction does the Government want to influence the movement of total spending in the economy?

For instance, the 1984 UK Budget envisaged a growth rate of Nominal GDP of 8 per cent in the year ahead, *gradually* declining to 5 per cent by 1988-89. The miners' strike has affected the detailed *timing*, but not the general aim of the Medium Term Financial Strategy.

Some economists want a faster growth of demand in the hope of stimulating more output and jobs, while others would like a slower growth in the hope of securing zero inflation in the foreseeable future.

The argument about the "policy mix" is a secondary argument which only arises when the policy aim has been agreed. It is possible to pursue the same objective for overall demand with a relatively tight *monetary* policy and a relatively loose fiscal policy or vice versa.

In the very long run, the two instruments are not independent. For if a Government issues too many bonds over too long *a* period, it becomes in practice very difficult to control the money supply.

But U.S. experience has *shown* that some countries at least can for quite a time run a loose fiscal policy—that is, high or rising budget deficits—offset by tight money, with little inflationary effect.

Q: What kind of change of policy mix is being advocated?

A: In the UK, some economists are urging a tighter monetary policy to protect sterling, offset by a looser fiscal policy. The immediate trigger for the suggestions has been the emergency interest rate increases which have raised British base rates by 4½ per cent since the end of last year. There is, too, the prospect of a higher average level of interest rates than was earlier thought likely, with perhaps base rates averaging 12 per cent in 1985-86 instead of 9 to 10 per cent.

There is also the influence of Reaganomics. The U.S. has succeeded in the last two-and-a-quarter years in *combining* rapid growth with low inflation. High real interest rates in the U.S. have not retarded growth, as many in both Wall Street and the academic world expected; while high budget deficits have been accompanied by a strong dollar and a 3 to 4 per cent inflation rate.

Q: Is a change in the policy mix likely to be announced in the UK Budget?

A: Unfortunately, this is unlikely. The projected PSBR for 1985-86 may vary slightly in either direction from the £7bn tentatively laid down in the MTFS because of special factors, such as the effects of the miners' strike or the timing of payments for ECGD losses.

But confidence in sterling is too fragile for the Chancellor to want deliberately to run a substantially higher PSBR to offset the effects of higher interest rates. Thus a policy tightening (for example, dearer money not offset by much fiscal loosening) is more likely than a change in the "mix."

The policy mix question is likely to become more relevant *after* the Budget. For instance, there will be the question of how far it is possible or desirable to press on with interest rate cuts, or whether some fiscal easement should instead be made in the 1986 Budget or before.

Moreover, pressure for European tax cuts is likely to come for different reasons both from the Fed (Paul Vocker makes no secret that he thinks European fiscal policy too tight) and from the U.S. Administration.

Q: What is the respectable argument for a change in the policy mix towards looser fiscal policy combined with tighter money?

A: The basic arguments concern the balance of payments and the exchange rate and were *put forward in Economic Viewpoint* on March 8 1979 long before the advent of Reaganomics.

There is, among advanced countries, a reasonable unified international capital market. So long as confidence is maintained an individual government which increases its borrowing will be able to attract funds on the world capital market by paying only a modest premium over prevailing world interest rates.

This inflow will tend to drive up the exchange rate, exert downward pressure on inflation, but weaken the current balance of payments by making the country's exports less competitive. *Conversely, a reduction* in Government borrowing can lower a country's exchange rate, paradoxical though this may seem.

It therefore follows that when a country is *worried* that the exchange rates is "too high" (as in the case of the dollar today and sterling in 1979-80) it should probably tighten its fiscal stance—i.e. reduce its budget deficit—and thereby reduce net foreign inflows. This is the most important single internal U.S. argument for a major reduction in the Federal deficit.

It was also the main justification (although not the one given) for the slashing of the PSBR at the height of the recession in the controversial UK Budget of 1981 (which sparked that famous protest by 364 economists).

The position is now the opposite. If, because of oil price fears and the anticipated gradual rundown of North Sea output, sterling is in the next few years more likely to be "too weak" rather than too strong, there is a case for moving into reverse; i.e. having tighter money to put a brake on any downward movement of sterling, but have this offset by looser fiscal policy to prevent nominal demand from being squeezed too much.

Q. Can you be sure that a looser fiscal policy would strengthen sterling? Could it not, on the contrary, trigger a run on sterling?

A: Of course. The basic proposition only holds if confidence is maintained that monetary policy will be tight enough to keep inflation under control.

Very often in the past a high or rising budget deficit has been financed from the banking system; in other words it has involved an increase in the *money supply, or* been "monetised."

Fears that this would happen *lay behind the sterling crisis* of 1976 when the UK had to borrow from the IMF and the *weakness of the dollar* in 1977-1979, under President Carter, when the U.S. budget deficit was a fraction of its present amount. Thus psychology is all important.

Unfortunately, many people who argue for a change in the policy mix help to justify these fears because they really want a change in the policy *aim*. Consciously or not they hope that the tighter monetary policy supposed to offset the fiscal loosening will soon be forgotten. Or worse still, they have not thrown off the bad habit induced by the specically British form of Keynesianism (developed after the master's *death*) of supposing that fiscal stimulation is "the right stuff" and monetary policy merely concerns numbers on bits of paper.

So the attitude of sceptics who *regard talk* of "*changing* the policy mix" as a code for "more inflation" is quite under*standable; and a great deal of* effort will be required to persuade markets that this is not the case.

Q: Does not the argument about the policy mix go right back to the early 1960s, when the U.S. economist Robert Mundell suggested that countries with a weak balance of payments should tighten monetary policy and stimulate fiscally? Was not the weak point of this strategy that it would simply finance. a series of current account deficits and postpone fundamental adjustments? Would not rising foreign indebtedness eventually *bring the policy to an end?*

A: The Mundell strategy was developed for the Bretton *Woods world of almost fixed* exchange rates and could never have provided a permanent alternative for a weak currency to devaluation or retrenchment.

When currencies are floating, however, as in the case of the dollar today, the level of capital inflows represents a market judgment of the size of U.S. current deficit it is willing to finance. Even so, a continuous piling up of U.S. foreign debt does present the danger one day of a sudden *reversal of the dollar's fortunes*, and a free fall which would harm both the U.S. and its *trading partners.*

In the case of the UK, which faces the prospect of moving *from* being a net oil exporter of above £7bn per annum to about self-sufficiency by the *turn of the century, it* would be folly to engage in a mix of policies likely to involve a *current* account deficit.

But the recent weakness of sterling took place when the cur*rent account* was in surplus and thus reflected adverse capital pressures. It is quite reasonable to tighten monetary policy to enhance the attractiveness of sterling, so long as the objective is merely to prevent a capital outflow.

Germany and Japan are running large current account surpluses. A shift to a looser fiscal policy which led to a rundown in these surpluses would be a positive contribution to better world balance and is an indispensable prerequisite for *a reduction in the U.S. current* trade deficit.

These two countries, almost alone in the world, may be running an overtight demand policy; and a shift which involved a net stimulus, and not just a change in the mix might be justified. But again I have to guard my flank against unreconstructed Keynesians who would carry this argument to ludicrous lengths.

Q: If all major countries increasd their Budget deficits, would not real interest rates rise, whatever happened to monetary policy?

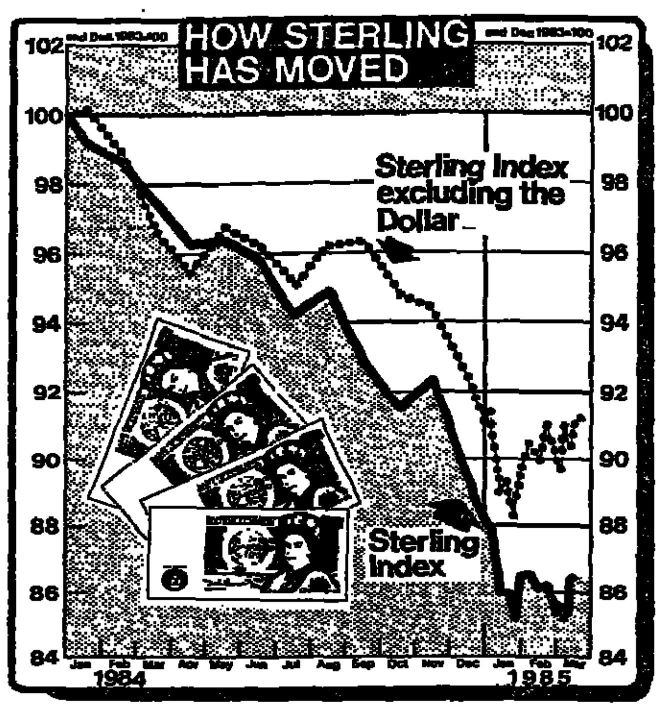
A: Yes. At a world level some *synchronisation* of any increase in European and Japanese budget deficits with a rundown in the U.S. one would be desirable. It would also be helpful if any bulge in the sum total of deficits coincided with the next world business downturn. Contrary to many earlier forecasts, this does not look at all likely in 1985 and is far from certain in 1986; and finetuning of these matters is trying for the moon.

Nevertheless, any feasible variation in UK Government borrowing is a drop in the ocean of world capital markets; and the special petro-pound *features* make some variation in a UK policy mix defensible in any international forum.

Q: How important is the policy mix issue?

A: It does interact with the *dollar problem. Apart from* that, it is a third order issue which gives finance ministers and macro-economists, who cannot put their labour markets right, something to do.

But the issue takes third place to the question of how large an increase in nominal demand to aim for and, above all, how to improve the distribution of that demand increase between real growth on the one hand and pay and price increases on the other.



MTFS – 1984 VERSION

	% Increase				
	1984-85	1985-86	1986-87	1987-88	1988-89
Nominal GDP	8	7	6	5½	5
Sterling M3	6 to 10	5 to 9	4 to 8	3 to 7	2 to 6
Narrow Money (MQ)	4 to 8	3 to 7	2 to 6	1 to 5	0 to 4
PSBR (% of GDP)	2¼	2	2	1¾	1¾

Source: 1984 Financial Statement

Lombard

Businessmen and the EMS

By Nicholas Colchester

SHOULD THE pound be a full member of the European Monetary System? Should it join at around the present exchange rate of DM 3.60? I put these *questions to the top management* of seven well-known British companies. Here are their answers:

Sam Toy, chairman and managing director of Ford Motor Company: "Sterling should be in the EMS. We've *been impressed by the stability* the EMS has brought to its member currencies and feel that this, and the opportunities for greater convergence between the economic policies of European governments, would be of benefit to Britain. The timing is better than in the past but we would like to see sterling at a still more competitive level against the currencies of our major trading partners."

Sir Adrian Cadbury, chair*man of Cadbury-Schweppes*: "The present degree of European currency movements is manageable, but I would be for joining EMS for three reasons. It would modestly limit currency fluctuations, and any reduction in uncertainty is good for business. It would impose a useful discipline on government to follow fiscal and monetary policies that would be helpful to business. It would be a step towards a genuinely common market with a common currency. As for timing, now would be acceptable. We cannot agree in principle, but wait until some precise convergence *of exchange* rates has been reached."

Sir Michael Colman, finance *director of Reckitt and Colman*: "We tend to build plants in the UK to serve the European mar*ket and expect* exchange rates to reflect differences in inflation, but when extraneous factors like oil dominate you are left completely unsighed. We want to be attached to a system which has stability as its rationale. The current European exchange rates are all right, certainly against the French franc, but the pound might be a little cheaper against the D-Mark. Another important adcantage would be stable interest rates. The record here over the last 12 months has been appalling."

Ronald Halstead, chairman and chief executive of the Beecham Group: "Yes, we should go in as soon as is practicable. EEC currency movements are not patricularly disturbing but I favour moves towards a European currency that will act as counterweight to the dollar and perhaps dampen its fluctuations. The current exchange rate of the pound in Europe is acceptable. Our costs are lower in the UK than in Germany so there's no problem there."

Robert Horton, managing director, British Petroleum: "I firmly believe it's a good idea, but that the timing isn't right. The Government *should* first profit from any decline in the dollar to bring interest rates *down and allow sterling to fall* against the D-Mark. UK production costs are only marginally competitive at the moment."

James Moffat, deputy managing director of Wedgwood: "I want sterling in because it would lead to a material reduction in interest rates. The range goes from 7 per cent for the Germans to 14 per cent for the Italians. I think Britain would slot in somewhere above Italy and France but below Holland and Germany and have interest rates of 9-10 per cent. But the timing is important because at DM 3.60 the pound is still overvalued."

***Denis Allport**, chairman and* chief executive of Metal Box: "Britain should join the ex*change rate mechanism* because it would help damp down short-term fluctuations between sterling and the EEC currencies and would force the Chancellor to pay more attention to the impact on the exchange rate of his economic and fiscal policies. There would be a greater availability of central bank funds to support sterling in short periods of foreign exchange turbulence. The current DM/£ exchange rate could possibly be an appropriate rate for sterling to join."

The Treasury says that the following words from Mr Nigel Lawson, the Chancellor of the Exchequer, still sum up the British Government's position: "This matter is continually under review, and I do not wish to prejudge what wil happen eventually."

Letters to the Editor

Change in the City

From Mr D. Lewis

Sir,—The proposed fundamental changes in the regulations relating to investment both inside and outside the Stock Exchange will have far reaching implications for the *investing public, which may* well, on past experience, operate to its wide disadvan*tage.*

Experience has surely demonstrated that abolition of recommended fee scales almost certainly leads to increased costs to the public. Both the Law Society and the *Royal* Institute of Chartered Surveyors, were forced to abandon scale fees for *legal and* estate agency work. The result has been that while major institutions are able *to* negotiate fees on large transactions the general public in practice *is paying anything up to* twice the rate of the old scales. There is little reason to assume that with *the proposed* elimination of Stock Exchange fixed scales any different result will occur.

The intended creation of *all* purpose investment firms buying or selling stock as principals not agents, eliminating the distinction between the vendor or purchaser of stock and the intermediary *acting on* behalf of the buyer or seller will turn a professional relationship into *commercial* bargaining. "Caveat emptor" will be the over-riding consideration. Surely this is a retrograde step. Again, large institutions will be able to exercise their massive bargaining strength to advantage. The general public will probably make up the difference in margins.

One can only anticipate with foreboding the *proliferation* of small investment firms offering proposals to the public outside the regulations of *the* Stock Exchange. The wider public tends to be more impressed by the glossiness *of a* prospectus than the solidity of its contents. This is surely an area where the principle *of open* competition should be severely tempered by the knowledge of how the *public* reacts. If there is one area of activity where prevention is better than cure this would be a *prime* example. When money has been misapplied it is rare indeed for the unprofessional investor to get it back notwithstanding subsequent legal efforts.

The conclusion is that the existing system operated by the Stock Exchange *is one* that by and large operates for the public good. No doubt it could be improved but eliminating fixed fee scales endangering the concept of independent and impartial advice on investment decisions, and encouraging loosely controlled investment promotors, appears far from the best way of doing so.

These matters should be reconsidered. Build around and if necessary give greater strength to a well tried stock exchange system. Do not dismantle it. Look to the example of other professional activities and examine what has happened in practice not theory. Above all consider with the utmost care, the actions of the Corporation of Lloyd's who with the benefit of hindsight, not foresight, are implementing changes exactly opposite those proposed for the Stock Exchange.

David Lewis.
76, Gloucester Place, W.1.

International arbitration

From the Secretary General, International Chamber of Commerce

Sir,—In his letter of March 8, on the costs of ICC arbitration, Mr F. M. Ventris ignores a number of important facts, and distorts others.

The arbitration in question lasted far longer than the "one day" Mr Ventris alleges. He will recall that his company was informed more than a year before the award was rendered that the likely cost of arbitration would be $25,000. Mr Ventris will also agree that his company deliberately opted for arbitration by a tribunal of three ICC arbitrators over the less costly procedure before a sole ICC arbitrator, which perhaps would have been preferable given the relatively modest amount at stake in *this particular* case.

Obviously, no company should draft an ICC arbitration clause into any contract it signs "*without* appreciating what the consequences may be," as Mr Ventris puts it. But once fully appreciated, these consequences are beneficial. While in certain cases arbitration under other rules may well be less expensive than ICC arbitration. Mr Ventris is surely aware of the features which make ICC arbitration both unique and well worth the costs it incurs.

These *features* include predictability of costs, arbitration supervised by a peerless international body of experienced lawyers and businessmen, scrutiny of all awards prior to notification of the parties, and thorough administration of each case by a permanent secretariat in Paris. *Other exclusive* services to parties range from technical assistance to informa*tion on legislation, conventions* and enforcement of arbitral awards around the world.

Hans Koenig.
38 Cours Albert 1er, 75008, Paris.

Action on car pollution

From the Director, Society of Motor Manufacturers and Traders

Sir,—I refer to your leading article (March 7) on the need for quick action on car pollution. I would stress that the UK motor industry is as anxious as anyone to address the problem and to protect the environment. But how?

First, the common fallacies. It is untrue that catalytic convertors can be made available *now* on all engines. For those manufacturers who do not currently make engines fitted with this complicated system, the lead time for production is similar to that for lean-burn engines. It is untrue that the lean-burn engine will not be available until well into the 1990s. In fact you will see one from a major manufacturer in British showrooms later this year.

American experience has shown that catalytic convertor *systems* are *expensive* (about £400-£500 on the price of a new car), use about 5 per cent more *fuel*, have a finite life and are vulnerable to misuse. Moreover, the system only works properly when hot and, as traffic conditions in Europe are so different from those in the U.S., even well-maintained catalyst systems are likely to be less effective here. In use, since the car runs *just* as well—if not better—with an inoperative system, there is no incentive to maintain it. In addition, a *poisoned* system produces more pollutants than today's engine with no catalytic convertor.

The Department of Transport estimates that, *in the UK alone*, these additional costs would mean that motorists would have to find a staggering extra £2bn a year. Such a reduction in spending power could have a serious effect on the new car market in the UK, with the attendant problems of lost jobs, lost exports and industrial recession.

The lean-burn approach provides low emission, fuel efficient engines that are resistant to misuse and tolerate residual lead levels, at a cost far below that of the vulnerable catalyst system. Furthermore, it will mean cars travelling 10 per cent further on a gallon of fuel than they do now—a valuable contribution to conservation of our national resources.

We believe that to jettison the advantages of lean-burn technology through excessively stringent limits or diktat at this stage of the important debate on the control of vehicle emissions would be to take a decisive step in the wrong direction.

Anthony Fraser.
Forbes House, Halkin Street, SW1.

Pasteurised milk

From the Deputy Chief Executive, Milk Marketing Board.

Sir,—With reference to a report in your issue of March 12 may we clarify the Milk Marketing Board's position on the question of pasteurised milk imports.

The Board has *consistently* supported the UK Government's view that such imports should not be permitted until common EEC health and hygiene legislation on intra-Community trade in heat-treated milk is adopted, and enforced, by all member states. Negotiation of such legislation has been in progress for some time, and it is unfair to ask this country to change its own rules at this stage.

It should be made clear, too, that it will be the government, not the Board, which will be involved in any case brought by the European court on this issue.

Peter Jackson,
Thames Ditton, Surrey.

Nicely rounded figures

From Mr R. Read

Sir,—Now that we have the £2 prescription and the £2 gallon, if the Government would bring out the £2 note the foreign exchanges could quote *in £2 and we would get back* to the 2.20 rate.

R. Read.
111 Fitzpain Road, Ferndown, Wimborne, Dorset.

FINANCIAL TIMES
Thursday March 14 1985

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ACCORD WITH JEUMONT-SCHNEIDER EXTENDS COLLABORATION POLICY

Office automation link for Bull

BY DAVID MARSH IN PARIS

BULL, the French nationalised computer group, and Jeumont-Schneider, one of the country's largest manufacturers of digital private branch telephone exchanges, yesterday announced a technical accord to connect their equipment for the expanding office automation *market.*

The agreement amounts to the first formal link-up by Bull with a telecommunications manufacturer. It adds up to a further step in its policy of collaborating with outside electronic groups to boost its competitive strength.

M Philippe Picard, director of Bull's computer networks division, said the accord – which also involves a pooling of the two companies' maintenance teams for servicing customers' equipment – reflected the "absolute necessity" for co-operation with telephone companies.

Further technical link-ups to allow connection of Bull's computers with private telephone exchanges *are being studied with other companies.* Bull intends to sign such a deal with the state-owned Thomson group – which itself last year forged a similar tie-up with Hewlett Packard of the U.S., and accords with foreign companies could also be signed on a "case-by-case" basis.

Jeumont-Schneider, which is part of the private sector Empain Schneider conglomerate, has a range of activities in electronics, electrical engineering and transport. Telecommunications and of*fice equipment* make up about 20 per cent of its activities, amounting to annual sales of around FFr 1.1bn ($107.5m).

Jeumont-Schneider has about 35 per cent of the French market for branch exchanges, with about 40 per cent *held by the state Alcatel*-Thomson group.

The company last year signed similar agreements with the U.S. Wang and Digital Equipment computer groups to improve its standing in the office automation market, but says it is too early to gauge the repercussions on sales.

These accords, like the one with Bull, allow wiring up of office equipment to enable voice and data communications over standard telephone lines.

M Paul Denis, director of Jeumont-Schneider's telecommunications division, said that of the proliferation accords over the last year between international groups competing in this field, not all the announcements of deals had been followed by marriages.

Because of the need to conclude technical tie-ups with a number of outside computer groups, "one has to be polygamous," he said. "But it can be extremely tiring."

The Bull-Jeumont-Schneider deal mainly concerns collaboration for the French market, but could be extended to other countries where the two companies have their own commercial networks. These include Belgium, Greece, the Middle East *and areas of Asia.*

● Alcatel-Thomson has clinched a FFr 8m order to equip a housing estate near Dallas, Texas, with a cable television network using optical fibres.

Although the value of the contract is small, the group believes it represents the first U.S. order placed in this field with a foreign company.

Work will be carried out by the Alcatel-Thomson subsidiary LTT, which has recently received another large slice of government financial aid to plug heavy losses last year – partly the result of a slow start to ordering for France's own cable television plan.

LTT will carry out the wiring up of the first 500 homes in the first half of 1986. The total contract covers the cabling of a 2,300-home community at Lake Forest in the Dallas suburbs, being developed by Suburban American Company, a property group.

The system should allow residents on the estate to receive 20 television channels, combined with satellite TV networks and remote control electronic systems designed to guard against fires and burglaries.

The contract comes as part of a big effort by French electronics companies to profit from U.S. telecommunications deregulation by staking a foothold in the American market.

In another contract which France also regards as of symbolic importance, Telesystemes, the computer services group which is owned by the Direction Générale des Telecommunications, the French telecommunications authority, has just signed two U.S. videotex contracts for New York's La Guardia airport and for the Trintex consortium which is commercialising domestic videotex services.

Chief of Unocal hits at bank lending for takeovers

By William Hall in New York

*THE Federal Reserve, the U.S. cen*tral bank, has been urged to curb the use of bank loans to finance the current U.S. merger boom. Banks are encouraging "reckless activity," which could lead to a new wave of bankruptcies and bank failures, a leading oil industry official charged yesterday.

Standard Oil Company (Indiana) the second most profitable U.S. oil company, plans to seek shareholder approval at its next annual meeting on April 23, for measures to strengthen the group's defences against unwelcome takeovers. The group is introducing staggered terms for its directors, and a rule that directors can be dismissed only by a 75 per cent majority of shareholders. It will also amend its articles to permit the issue of non-voting preferred stock. **Page 29**

Mr Fred Hartley, chairman of Unocal, a West Coast oil company which is under attack by Wall Street predators, has issued one of the strongest condemnations so far of bank involvement in financing the current *spate of mergers. He in*dicated that the once-harmonious relations between banks and the big oil companies had all but collapsed.

In a strong letter to Mr Paul *Volcker, chairman of the U.S. Fed*eral Reserve, Mr Hartley has described in graphic detail the concerns being felt in many U.S. boardrooms about the activities of the increasingly confident band of corporate predators roaming Wall Street.

The beleaguered oil company warns that "corporate raiders and their bankers and brokers are engaging in stock and bond and credit schemes reminiscent of those of the 1920s – but on a multi-billion dollar scale."

Mr Hartley feels particularly incensed because Security Pacific, Unocal's lead bank for more than 40 years, is helping finance the purchase by Mr T. Boone Pickens – the best known Wall Street predator – of Unocal shares ahead of what analysts believe will be another fierce takeover battle. Unocal has launched a $555m law suit against Security Pacific, alleging breaches in its fiduciary duty, deceit and deception. It has backed up the suit with a strong complaint to Security Pacific's main regulator.

Unocal, in common with a growing number of oil companies, believes the banks are exacerbating the takeover frenzy by agreeing to finance the predators.

THE LEX COLUMN

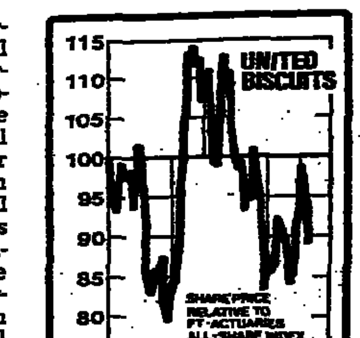
BNOC scrapes its final barrel

Rationality is not exactly a byword for the behaviour of the oil market. Nor is it the first characteristic that most people would attribute to currency *speculators. Yet the* abolition of the British National Oil Corporation, an event which two or three months ago could have been relied upon to knock $2 off the oil price and 5 cents off sterling, was met yesterday with the studied indifference which common sense suggests; the abolition of the Government's oil trading arm should, in the end, make very little practical difference to anyone.

There may be some resentment *within Opec at the loss of an unofficial outrider* to the cartel. Nigeria, in particular, may feel itself under some pressure, seeing the abandonment of price-fixing as tantamount to a cut in the official price. But since that notional cut is currently measured in cents rather than dollars, the UK Department of Energy probably need not fear disorderly reprisals from official members of Opec, and a slump in the dollar price of North Sea crude.

*In the absence of a depletion poli*cy, the cost of BNOC's operations – trading oil at negative margins – brought no tangible benefit; if BNOC had never existed if would have been quite unnecessary to establish it. But there is a slight worry that the sudden demise of the North Sea's largest trader may throw the market out of gear for a while, at least until the smaller producers have established the best way to dispose of their liftings – *most probably by contract sales to* the likes of BP, Shell and Esso.

United Biscuits



Sir Hector Laing has charitably left the London stock market alone since 1980, after tapping it three times in the previous five years. Though shareholders might feel that they have not been too amply rewarded at the earnings per share level since the last rights issue, yes*terday's call at least has a credible* rationale – even if United Biscuits does appear to be churning out paper as fast as chewy cookies.

These are indeed the problem. With margins crumbling at Keebler, the U.S. subsidiary, and flour still flying in the cookie war, Sir Hector needs to sink £30m into the venture this year to add to 1984's £50m.

Now that he is fighting the mighty Procter & Gamble on its home ground he has very little choice – if he does not pay up, he might as well pull out. With no sign of the pressure easing, shareholders have to put their faith in Keebler's ability both to stand up to P & G and to win enough market share *from the smaller players to add* some fat to its margins.

On 1984's record, though, it might *not* be the worst blind punt they *could* make. An overall 5 per cent rise in pre-tax profits at UB disguises an extremely successful year in the UK, with margins and market share rising in biscuits, snacks, fast food and confectionery. Even in the U.S., 21 per cent volume gains must be encouraging.

This year Keebler should be less of a drag on the rest of the group and the proceeds of the rights issue will bring gearing down from 82 to 38 per cent, taking more than £9m off the interest charge.

Assuming UB makes £105m, the shares, down 4p at 188p, stand on a prospective p/e of about 9, about par for the sector.

Sears/Foster

The City of London has become such a gentlemanly place of late that takeover bids at conciliatory prices are suddenly the norm. The Al-Fayed brothers set the tone last week, to be quickly joined by Sir *Owen Green, with a threefold in*crease in his valuation of Dunlop. Yesterday Harrisons & Crosfield took the palm for generosity with the second increase in its offer to Pauls; but it was run close by Sears Holdings, which showed itself willing to pay a small fortune for the agreement of a Foster management which has scarcely shone.

Sears has been trying for years to expand its UK retailing presence. But the restless ghost of Sir Charles Clore will scarcely be placated by an exit p/e of more than 20 and goodwill of at least £60m for a group that made the princely sum of £1.7m before tax in the year to February. Mr Philip Birch of Ward White, who knows no more about menswear than Sears, but has a shallower pocket, may be glad at escaping so lightly.

Foster shareholders should at once accept Sears' splendid offer, for it is unlikely to be repeated. For shareholders in Sears, the issue is less simple since their attributable earnings – which were supposed to be sacrosanct – will be diluted this year even with some tax losses from Foster.

In fairness, Sears could hardly have acquired 748 UK stores otherwise without the usual tussle with the Office of Fair Trading. This time, there does not look much of a case for reference simply on the basis of *footwear concessions.* As a group with a broad spread, Sears is better suited than Ward White to work in Foster's mixed bag of ranges. And by 1986, when Foster should be contributing £15m or so, the price will be history.

BTR/Dunlop

Dunlop's death of a thousand cuts seems not quite to have killed the company after all. According to the *BTR offer document published yes*terday, the group had year-end shareholders' funds of £58m while, if minorities are added in, it is even possible to argue that BTR is buying Dunlop for less than net worth.

These calculations are by now pretty academic. The main point to arise from the document is that the combined group will start life with net debt and shareholders' funds of about £1bn apiece. That admittedly assumes full cash acceptance of the BTR offer which – as the paper bid was worth 4p a share more than the cash last night – is somewhat conservative. Even without further disposals, BTR could bring the debt/equity ratio down to around 85 per *cent by the end of this year with* a further reduction on the cards for 1986.

BTR has been down this road before – gearing was around 100 per cent after its takeover of Thomas Tilling. If anything, the scope for profit gains is greater this time round. BTR should be able to add two percentage points to Dunlop margins – worth £30m at the trading level – in year one, and Dunlop's £200m of tax losses represent an added bonus of very considerable proportions.

British Aerospace share sale in May

By Michael Donne and Alexander Nicoll in London

THE PUBLIC offering of the UK Government's remaining stake in British Aerospace will take place in early May. It will be marketed on a scale exceeded only by last year's privatisation of British Telecom.

At yesterday's closing price of 368p, down 7p, the sale of the Government's 48.4 per cent, which is to be coupled with a rights issue by the company itself, could raise more than £500m.

Unlike the British Telecom sale BAe aims to attract relatively knowledgeable small shareholders rather than first-time investors because of the higher degree of risk and the *likelihood that returns* on investment could be further in the future.

Kleinwort Benson, the merchant bank which handled the BT sale and is BAe's financial adviser, and Lazard Brothers, which is advising the Government, yesterday hosted a briefing for 16 stockbroking firms which will form a regionally organised marketing structure.

Hoare Govett, BAe's brokers, and Cazenove, acting for the Government, will be joined by 14 smaller firms from throughout the country.

A further parallel with the BT offer is that commissions will be offered to brokers and dealers acting as intermediaries for successful buyers. The fees, however, will be lower at 1¼ per cent of the value up to a £10,000 purchase, compared with 2 per cent for BT.

The preliminary results for British Aerospace for 1984 are to be published in late March. For 1983, the group, which is involved in aircraft, missile and spacecraft manufacturing, earned a pre-tax profit of £82.3m on a turnover of more than £2.3bn.

A statement by Sir Austin Pearce, chairman said that following the preliminary results, the company would call an extraordinary general meeting to approve the proposed offer, including arrangements for the Government to retain a "golden share" to prevent the group from *falling into overseas* ownership.

The full accounts, with a preliminary prospectus, will be issued some time in April.

Existing shareholders will be allowed to acquire new shares pro rata. The Government will not take up its own preferential entitlement to any of the new shares. Employees will receive preferential allocations of up to 5m of the shares being sold by the Government.

The Government's share sale, covering its 96.85m shares, is expected to raise more than £360m ($388m).

Euro MPs seek action on U.S. curbs on transfer of technology

BY CHRISTIAN TYLER, TRADE EDITOR, IN LONDON

EUROPEAN MPs are calling for a strong EEC protest, and retaliation if necessary, against U.S. restrictions on the transfer of technology to European companies.

They have condemned the restrictions as a breach of international trade law, an abuse of U.S. dominance in the field, and as putting a *strangle hold* on Europe's own development.

The complaints are spelled out in a draft opinion being discussed by the European Parliament's committee on economic and monetary af*fairs and industrial* policy.

Apparently not yet endorsed, the opinion is destined for the external economic relations committee which is drawing up a report on Cocom, the informal committee of Nato countries and Japan that vets sales of militarily useful technology to the Soviet bloc and China.

A similar analysis is contained in a report commissioned by the Organisation for Economic Co-operation and Development which was leaked in London yesterday.

It was claimed that this report by Mr Stuart Macdonald of the University of Queensland in Australia, has been suppressed by the OECD in Paris at the insistence of U.S. officials.

Neither the OECD secretariat nor the U.S. mission to the OECD was able last night to confirm the allegation. Mr Paddy Ashdown, the British Liberal MP who has pursued the issue in the UK parliament, called yesterday for early publication of the report.

The draft opinion drawn up for *the Euro-MPs claims that the U.S.* is seeking to protect its dominance "under the cover of secrecy and in the guise of foreign policy." It calls on the Community to set up a U.S.-EEC committee to avert a crisis in the Western alliance and make good the alleged deficiencies of Cocom.

Mr Macdonald's 58-page report, The Sisyphus Syndrome, claims the allies suspect that U.S. companies are able to manipulate the Cocom system for commercial advantage. He claims too that if the controls were successful – which he argues they cannot be – allied countries would suffer more than the Soviet bloc.

OECD committee fails to settle dispute on mixed credits use

BY PAUL BETTS IN PARIS

INDUSTRIALISED countries failed to make progress in resolving their *long-running* dispute over the use of mixed credits to support export deals at a meeting in Paris of the so-called Export-Credit Consensus of the Organisation for Economic Co-operation and Development (OECD).

The issue will now have to be taken up again by OECD ministers, and is likely to hang heavily over the organisation's annual ministerial council meeting next month.

Mr John Lange, director of trade finance at the U.S. Treasury, said yesterday the Paris meeting ended in stalemate and the European Community came up with no new proposals.

The U.S. is pressing the EEC to agree to adopt new procedures to restrict the use of mixed credits, exports subsidised with foreign aid funds.

It is especially irritated with France, which it claims makes the largest abuse of mixed credits. Mr Lange quoted OECD figures showing that of total $6.4bn tied aid credits made by industrialised countries in 1982 France accounted for as much as $2bn. In 1983 France accounted for $1.4bn out of a total of $3.7bn in tied aid credits.

The U.S. objects in particular to the use of these credits to support industrial sectors with high rates of return, like telecommunications and transport.

Mr Lange said almost half the mixed credits made in these sectors came from France. He cited as an example the decision by France to support a telecommunications contract in Cyprus with a mixed credit.

Mr Lange said, however, the U.S. did not envisage "throwing the gauntlet" at this stage but was still hoping to reach a consensus on the way to restrict the use of mixed credits. He suggested it was not a major trade issue and that *it* was "almost silly that it had got so much attention." There were only about 20 cases a year that caused a problem.

EEC surpluses at new peaks

BY QUENTIN PEEL IN STRASBOURG

THE LEVEL of farm surpluses in the EEC has increased to records for both beef and cereals, Mr Frans Andriessen, the European Agriculture Commissioner, told the European Parliament yesterday.

The size of stocks has increased in the two months since the Com*mission's farm* price proposals were put forward in January, because of a further deterioration in world markets, he said.

Even butter stocks have not fallen significantly in spite of sales intended to dispose of some 200,000 tonnes through cheap Christmas butter and subsidised sales of old stocks to the Soviet Union.

Mr Andriessen said EEC cereal stocks stood at 14m tonnes, while beef stores contained an average 660,000 tonnes, compared with only 400,000 tonnes last year.

The increase in beef stocks occurred "in spite of the fact that beef exports have been doubled at a very *high cost to this community.*"

The so-called butter mountain stood at between 845,000 and 850,000 tonnes, "despite very costly activities to get rid of butter surpluses." The average level for 1984 was 950,000 tonnes.

Mr Andriessen said the surpluses provided "an alarming background" to the debate on farm prices for the coming year. He defended the Commission's proposals for a virtual price freeze, with actual cuts in price for cereals, fruit and vegetables.

The agriculture committee of the Parliament wants to increase prices by an average 4.5 per cent, in spite of the surplus production. The Parliament's budget committee calculates that the cost of stocking the surpluses rose more than 200 per cent between 1978 and 1983, reaching more than European Currency Unit (Ecu) 7bn ($4.7bn) in 1983.

EEC farm lobby rallies, Page 2

Eximbank loans for Colombian coal mine

By Nancy Dunne in Washington

THE U.S. Export-Import Bank has approved a $130m loan and a guarantee of $40m for private sector lending to finance the sale of U.S. goods and services to the multibillion dollar Cerrejon coal mining project in Colombia.

The loans will facilitate sales of railway and mining equipment, trucks, plant and engineering services to the project for nine U.S. companies. These include General Electric, Ortner Freight Car, Dresser Industries, Ingersoll-Rand, Caterpillar, Goodyear Tire and Rubber, Atlas Powder, Harnishfeger, Terex and Morrison Knudsen.

Eximbank says the financing will generate sales worth $200m for the project, the world's largest opencast coal mine. Cerrejon is a joint venture between Carbones de Colombia, the Colombian Government-owned coal development agency, and International Colombia Resources, a subsidiary of Exxon.

The Reagan Administration has sought to end the bank's direct lending programme, which is supplying the $130m loan for this project. Last week, however, the Senate budget committee rejected the proposal and authorised $1.25bn in direct loans for 1986.

It specified that $250m of that amount could be used for an interest-subsidy scheme the Administration has been recommending in *place of direct lending.*

The committee said the direct lending programme could be used to respond to mixed-credit competition or to match concessional loans offered by U.S. competitors.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	-	—	—	Dubrovnik	S	15	59	Malaga	S	15	59	Salzburg	C	3	37
Akrotiri	S	21	70	Faro	S	15	59	Malta	F	15	59	Seoul	F	9	48
Algiers	C	12	54	Florence	S	13	55	Manila	S	34	93	Singapore	R	32	90
Amsterdam	F	5	41	Frankfurt	S	7	45	Miami	F	25	77	Stockholm	Sl	1	34
Athens	C	10	50	Funchal	S	17	63	Milan	F	11	52	Strasbourg	-	—	—
Bahrain	C	22	72	Geneva	S	5	41	Moscow	C	0	32	Sydney	F	26	79
Bangkok	S	34	93	Gibraltar	S	15	59	Munich	C	1	34	Taipei	R	17	63
Barcelona	S	13	55	Guernsey	C	8	46	Nairobi	S	26	79	Tangier	F	16	61
Beirut	S	20	68	Helsinki	C	0	32	Naples	C	11	52	Tehran	-	—	—
Belgrade	S	8	46	H. Kong	C	15	59	New Delhi	S	27	81	Tel Aviv	S	22	72
Berlin	S	7	45	Innsbruck	S	8	46	New York	C	13	55	Tenerife	S	21	70
Biarritz	-	—	—	Inverness	C	5	41	Nice	-	—	—	Tokyo	C	9	48
Blackpool	C	7	45	Istanbul	S	7	45	Oporto	S	14	57	Toronto	R	7	45
Bordeaux	-	—	—	Jersey	C	8	46	Oslo	S	5	41	Tunis	R	12	54
Brussels	C	1	34	Jo'burg	F	25	77	Paris	F	9	48	Valencia	S	12	54
Budapest	S	7	45	Las Palmas	S	21	70	Prague	C	3	37	Venice	S	10	50
B. Aires	F	30	86	Lima	F	26	79	Reykjavik	F	0	32	Vienna	F	5	41
Cairo	C	25	77	Lisbon	S	13	55	Rio de J'o	C	34	93	Warsaw	S	6	43
Cape Town	S	25	77	Locarno	C	8	46	Rome	C	12	54	Zurich	C	2	36
Caracas	-	—	—	London	F	7	45								
Casablanca	S	16	61	Los Angeles	F	19	66								
Copenhagen	C	0	32	Luxembourg	S	6	43								
Corfu	F	14	57	Madrid	S	8	46								
Dublin	C	8	46	Majorca	D	9	48								

Readings at mid-day yesterday.

C–Cloudy D–Drizzle F–Fair Fg–Fog R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

London to scrap BNOC

Continued from Page 1

Details of plans to abolish BNOC will be set out in a Bill which the Government hopes to take through parliament this session.

The participation agreements between BNOC and the 65 North Sea licensees will then be transferred to a new organisation, the Government Oil and Pipelines Agency (Gopa), which is expected to employ around 40 people, compared with the 135 now on BNOC's payroll.

BNOC, however, will cease as soon as possible to exercise its right to take participation oil. This could take up to two years in the case of some participation agreements but is expected to happen within a matter of months for the bulk of the agreements.

The participation agreements themselves will continue in being, so that the Government can reactivate them through Gopa in the event of a supply crisis. Ministers are confident that with the additional powers adopted in the 1982 Energy Act, plus Gopa's powers and oil sharing arrangements made through the Paris-based International Energy Agency, Britain would be in a strong position to survive a supply crisis without BNOC.

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SECTION II – INTERNATIONAL COMPANIES

FINANCIAL TIMES

Thursday March 14 1985

Woolworth earnings jump 20% in year

By Terry Dodsworth in New York

F. W. WOOLWORTH, the U.S. stores group, achieved record operating profits last year, as net income jumped by 20 per cent to $141m, or $4.45 a share, from $118m, or $3.72.

In the fourth quarter, which included the important Christmas season, earnings rose by 14 per cent to $92m, or $2.91 a share, from $81m, or $2.56.

The earnings increase was achieved on a modest 5.2 per cent upswing in sales from $5.4bn to $5.74bn in the year, and a 3.8 per cent rise from $1.69bn to $1.76bn in the quarter.

The company said that the increase in profits was attributable to its U.S. operations.

Overseas, however, it was hit by the dollar's strength, with foreign operating income falling by $5m. Woolworth indicated that without the decline in the value of foreign currencies relative to the dollar, foreign income would have risen by around $4m.

Rescue bid for Castle & Cooke

By Our New York Staff

MR DAVID MURDOCK, the U.S. financier, has come to the rescue of Castle & Cooke, the troubled food products and property company, through a reverse takeover of his Flexi-Van group.

Castle & Cooke, which lost $63.9m on revenues of $784m in the first half of its latest financial year, is to take over Flexi-Van, which earned $21.4m on sales of $165.3m in 1984. Under the agreement each of Flexi-Van's 8.2m shares will be converted into 2.2 shares of Castle & Cooke and 1.1 shares of a new series of Castle & Cooke voting convertible preferred stock.

Standard Indiana to strengthen defences against hostile bids

BY WILLIAM HALL IN NEW YORK

STANDARD Oil Company (Indiana), the second most profitable U.S. oil company, plans to seek shareholder approval at its next annual meeting on April 23 for measures to insulate it from unwelcome takeovers.

The giant Chicago-based company, which has a stock market capitalisation of $17.3bn, is amending its articles of incorporation

It is the latest in a growing string of oil companies to strengthen their defences against unwelcome takeovers, after the surprise takeover of Gulf Oil, the fifth biggest U.S. oil company last year, and the raid on Phillips Petroleum early this year.

The company is introducing a board of directors with staggered terms and a rule that directors can only be dismissed by a 75 per cent majority of all shareholders as opposed to a simple majority. It is also amending its articles to permit the issue of non-voting preferred stock.

The company's proxy statement says that these two features may be regarded as having anti-takeover aspects. It says, however, that it has no reason to believe that anybody is attempting to take over the company or would wish to do so.

Nevertheless, it says that "the board of directors believes that the interests of shareholders are best served by the stability and continuity that have characterised the board of directors of the company for many years" and that the amended article would promote the company's long-range business policies.

Under its current bylaws its 16-strong board of directors comes up for replacement every year. Under the new bylaw, directors will serve for three-year terms.

New shake-up ahead for Philipp Brothers

BY OUR NEW YORK STAFF

PHIBRO-Salomon, the Wall Street investment banking and commodities trading group, has announced a further management reorganisation of its Philipp Brothers non-oil commodity marketing business.

The plan represents the group's latest attempts to bolster the flagging financial fortunes of Philipp Brothers, whose non-oil commodities business posted pre-tax profits last year of $13m, compared with $107m in 1983.

Phibro-Salomon last month reported a fourth-quarter net loss and sharply reduced full-year net earnings, mainly as a result of a write-off of its Beaufort Sea oil interests, the reorganisation of Philipp Brothers non-oil commodities activities and reduced earnings from commodities trading.

Under the latest management changes, announced by Mr Alan Flacks, who took over as chairman and chief executive of Philipp Brothers in October, an internal nine-strong executive committee has been set up to run the non-oil commodities business.

The new management committee, which will be led by Mr Flacks, will bring together other senior group executives including Mr Walter Baker, Phibro-Salomon's chief financial officer, and senior commodities specialists from New York, Europe and Japan.

Creditors of Deak to hire First Boston

By William Hall in New York

CREDITORS of Deak & Company, parent of the Deak-Perera money changing and international banking group, parts of which have filed for protecton under Chapter 11 of the U.S. bankruptcy code, are planning to hire First Boston, the New York investment bank, to advise them on the best way of recovering the $60m-plus owed by Deak and its affiliates.

The move by Deak's official creditors committee comes as evidence grows that the mystery party whose intervention earlier this month led to the postponement of the sale of Deak's Swiss bank, Focobank, is no longer interested in bidding for the whole Deak-Perera financial empire.

Cadwalader, Wickersham & Taft, the New York law firm representing Deak's mystery suitor, said yesterday that its client had dropped out of the running for the group, which includes the oldest and largest foreign currency and precious metals retailer in the U.S., and banks in Switzerland, Austria, the Cayman Islands and the U.S.

Other lawyers close to the negotiations said they believed the client was still interested. If no interested party steps forward with a plan to finance the reorganisation of Deak at the next court hearing on April 12, creditors are expected to ask First Boston to begin a worldwide marketing programme to sell the group either as a whole or piecemeal.

Although several parts of the Deak empire have been up for sale for more than a year and have been looked over by everyone from a West Coast U.S. bank to Bank Leu of Switzerland and Charterhouse Rothschild of the UK, no disposals have been effected.

AT&T considers links with Japanese groups

BY PAUL TAYLOR IN NEW YORK

AT&T, the U.S. telecommunications group, is understood to be discussing strategic links with Japanese telecommunications groups – including a possible joint venture with Toshiba – as part of a major push into the Japanese telecommunications market.

Mr Yuji Wakayama, manager of Toshiba's international public communications section, said yesterday that "negotiations are going on," but he added, "we cannot comment on them yet."

In the U.S. AT&T International confirmed that it would be attending a major trade fair in Tokyo later this month when some industry analysts expect a formal announcement to be made.

AT&T, while declining to comment on press reports that an agreement with Toshiba is imminent, said: "We are most certainly going to the Comdex show... we will probably be able to discuss strategy a little more at that time."

Speculation about possible marketing links between AT&T and Japanese companies has intensified recently as Japan prepares to launch Nippon Telegraph and Telephone, the state-owned monopoly, into the private sector.

U.S. companies, and the U.S. Government, have been pressing hard for greater access to the booming Japanese telecommunications market, estimated to be worth around $7bn a year.

Last year U.S. companies' share of the market amounted to a very modest $130m, while Japan sold around $2bn of telecommunications equipment in the U.S.

According to recent Japanese press reports the AT&T and Toshiba joint venture would focus on marketing the U.S. group's digital telephone switching equipment in the Japanese market. The reports have suggested that similar joint ventures with Ricoh and Olivetti Japan are being considered.

AT&T has several international joint ventures and marketing agreements, including a joint venture with Philips of the Netherlands, a marketing agreement and 25 per cent equity stake in Olivetti and a Korean joint-venture manufacturing group.

ITT profit slides despite sales rise

BY OUR NEW YORK STAFF

ITT, the U.S. conglomerate which recently announced an aggressive divestment programme, suffered a 34 per cent decline in net income last year despite a 5.4 per cent increase in sales from $18.6bn to $19.6bn.

Earnings fell to $448m, or $2.97 a share, from $675m, or $4.50 a share, mainly because of difficult conditions in the property and casualty insurance business, forest products and certain communications equipment markets.

In the fourth quarter net income amounted to $175m, or $1.16 a share, down 37 per cent from $278m, or $1.86 a share in the previous year. Sales in the quarter amounted to $5.4bn, against $5.2bn.

For the year and the quarter, the sales figures included revenues from the company's insurance and finance activities, which contributed $6.9bn for the 12 months, against $6.1bn in 1983, and $1.8bn in the final quarter compared with $1.6bn.

The profits figures for 1983 also took in a $124m gain from the sale of the Continental Baking Company, which was partly offset by a $76m provision against the sale of the group's telecommunications manufacturing facilities in Argentina.

Charges were also taken against the "questionable" future viability of ITT's consumer products companies in several countries in southern Africa and its nuclear pipe manufacturing operations in North Carolina, Kentucky and Ohio.

Net income also benefited from a $55m non-operating gain from the recognition of the increase in value of the group's investment in Standard Telephones and Cables (STC).

Low-fare U.S. airline expects loss in quarter

By Our Financial Staff

PEOPLE EXPRESS, the cut price U.S. air carrier which has been hit by rising costs and the increasingly bitter domestic air fares war, warned yesterday that it expects to post a first-quarter loss.

The airline, which incurred a $8.96m fourth-quarter deficit, said it believed it lost $20m to $25m before preferred dividend requirements in January and February, but the total loss for the quarter is expected to be less because of fare increases and cost reductions. In the first quarter of 1984, People Express earned $18,000 on revenues of $108.1m.

The company attributed the "disappointing" first-quarter results to the "cumulative effects of commencing service to 13 new cities since June 1, 1984, and weak seasonal traffic in the fourth quarter of 1984 and the first two months of 1985."

Dofasco to issue preferred stock

By Robert Gibbens in Montreal

DOFASCO, Canada's third largest and most profitable steelmaker, is planning a C$325m (U.S.$233m) preferred stock issue, raising speculation that its management is trying to dilute a 12 per cent holding by Ivaco, a smaller but very aggressive steel company.

The new shares carry votes and are convertible one-for-one into Dofasco common stock for 10 years. Dofasco says the funds will be used to finance its C$1bn capital programme, and possibly to expand business, inside and outside steel. Earlier Dofasco said its capital programme would be financed from internal resources.

Analysts point to the potential dilution of the new convertible preferred issue, however. It could increase the number of common shares outstanding by 20 per cent. In this way it would become a larger potential target should Ivaco seek ultimate control.

Ivaco is the largest single shareholder in Dofasco. When its holdings recently reached 12 per cent, Dofasco indicated in a public statement that further Ivaco advances would not be welcome.

Dofasco says the preferred issue is not designed to dilute the Ivaco holding, or to force Ivaco to put up another $65m to maintain its 12 per cent stake.

Mr Paul Ivanier, president of Ivaco, would say only that his company "is studying its options." He would give no indication whether Ivaco would take up any of the new preferred. Ivaco has sales of more than C$1bn.

● Bell Canada Enterprises, the holding company controlling the Bell Canada telecommunications utility and 80 non-regulated businesses, is again expanding in printing. Through its U.S. printing subsidiary Case-Hoyt it is buying the Great Lakes Press group, of Rochester, New York.

INTL. COMPANIES & FINANCE

Furama Hotel plans share offer to gain recognition

BY DAVID DODWELL IN HONG KONG

FURAMA HOTEL Enterprises, the private Hong Kong group whose main asset is the Furama Inter-continental Hotel, has announced plans to offer for sale 25 per cent of its issued shares as a means of gaining "wider public recognition."

The hotel group, which is controlled by the Fu family in Hong Kong, will offer 33.25m shares, at K$4.80 a share. The offer has been underwritten by Wardley, Hoare Govett and Hang Seng Finance, and will raise HK$160m (U.S.$20.5m).

The flotation is the first in Hong Kong since early January, when a public offer by National Electronic, the watch manufacturer, was six times oversubscribed. While the local stock markets are less bullish now than at that stage, the hotel sector has been buoyant over the past year as tourist arrivals have risen to record levels.

In a prospectus to be issued tomorrow the group says it has no immediate funding needs, but aims to win wider recognition through the offer. The 571-room Furama Inter-continental is one of Hong Kong's leading hotels. It was built in 1973, and a major renovation of its lobby areas has recently been completed. The hotel has been valued at just under HK$670m.

Applications for shares will be received up to noon next Tuesday, March 19. Successful applicants will be notified by March 28, and dealings in Furama shares are expected to begin on April 2.

● Japan Air Lines, Japan's publicly-quoted, government-affiliated international airline, plans to build a U.S.$66.7m hotel in Hong Kong in a joint venture with Japanese and Chinese investors, adsd Robert Cottrell from Tokyo.

The new hotel, to be called the Nikko Hongkong, will be owned 70 per cent by Japan Air Lines Development Company, a JAL subsidiary. The minority shareholding is to be divided equally between Kumagi Gumi, the Japanese construction company; Shum Yip Development Company, a Hong Kong company owned by the regional government of China's Shenzen special economic zone; and the municipal authorities of Zhuhai.

Shenzen was one of the first of China's coastal regions to be opened up to foreign trade and investment. It lies just across the border from Hong Kong, and has developed numerous close commercial ties with the British-run territory.

The 450-room Nikko Hong Kong will be located in the territory's Tsimashatsui tourist district on the Kowloon shore of Hong Kong harbour. JAL expects the new hotel to yield gross revenues of US$ 22m in its first year of operations, based on the 88 per cent average occupancy rate enjoyed by major Hong Kong hotels in 1984, and with overseas arrivals to the territory showing an annual growth rate of 8.8 per cent.

JAL also announced yesterday that it had paid US$ 7.38m for control of the Manila Garden Hotel in the Makati district of the Philippines' capital, Manila. It said that through deals last year with shareholders including the Development Bank of the Philippines, it had acquired 73.8 per cent of the hotel's equity.

Net profits at Promet show 48% decline

By Wong Sulong in Kuala Lumpur

PRE-TAX earnings of Promet, the Malaysian-Singapore marine engineering and property group, fell by 41 per cent to 68m ringgit (US$27m) for 1984 as the group felt the full impact of the downturn in the offshore oil rig and construction industries.

Profits after tax and minority interests fell by 48 per cent to 33m ringgit, while turnover declined by 12 per cent to 327m ringgit. As a result of the group's thrust into oil exploration and property development, interest charges on borrowings jumped to 24m ringgit from 11m ringgit.

During the year, Promet shares have been the subject of heavy selling by foreign institutional investors, particularly from the UK, in anticipation of poor results.

Investors were also concerned with the poor overseas response to Promet's 2bn ringgit tourist project at Langkawi Island in northern Malaysia as well as the disappointing results of its oil exploration ventures.

With its shares trading at 1.55 ringgit, Promet's current market capitalisation is just over 600m ringgit compared with 1.08bn ringgit at the end of 1983.

The dividend is unchanged at 5 cents and the directors expect earnings for 1985 to be not less than those for 1984.

Sharp advance at Fletcher Challenge

By Our Financial Staff

FLETCHER CHALLENGE New Zealand's largest company which has interests in forest products, pulp and paper, property, building, financial services, and agriculture, has announced a substantial increase in earnings for the six months ended last December.

On the modified historical cost basis favoured by the company, the unaudited group figures show a 53 per cent increase to NZ$98.9m ($U.S.$44m) from NZ$64.5m. On a historical cost basis, the figures show an increase in earnings to NZ$104.6m from NZ$70.2m a year earlier. Sales reached NZ$2.19bn against NZ$1.69bn.

Mr Ron Trotter, chairman, said a combination of factors had made the half year "a uniquely favourable trading period."

Fletcher Challenge enjoyed strong growth in the U.S. and Australia, as well as the benefits of last year's pre-election stimulation of the domestic economy, the devaluation of the New Zealand dollar, and good weather. Production difficulties in pulp and losses in meat trading were more than offset.

Mr Trotter expressed confidence that full-year profits would "comfortably exceed" the forecast of NZ$160m given last November.

An interim dividend of 10.5 cents a share is being paid, against 8.5 cents last year.

● NEWMANS, the major tourist and transport operator, which also has mineral and agricultural interests, boosted trading profit by 83.6 per cent to NZ$5.9m (US$2.6m) in the six months ended December and also made a capital profit of NZ $4.1m. Sales were NZ$82.8m against NZ$64.5m Dai Hayward adds from Wellington.

The company launched New Zealand's third major airline in February but the results contain none of the airlines operations. Although all divisions showed healthy increases in profit, the main growth came from tourist-based activities. The company is paying an interim dividend of 5 cents a share.

Higher interest and tax hit results at Cape Wine

BY JIM JONES IN JOHANNESBURG

CAPE WINE AND DISTILLERS (CWD), which has a near monopoly of the South African wine and spirits market, increased the number of retail liquor outlets under its control in the six months ended December 31 1984 but nevertheless suffered from virtually stagnant sales volumes. Turnover figures are not disclosed, but the company reports that first-half sales were 11.5 per cent higher in value than a year ago.

First-half trading profit increased to R59.2m ($29.6m) from R58.5m but higher interest and tax charges led to a reduction in net profit to R24m from R30m.

Turnover rose by 10.3 per cent in the full year ended June 30 1984, trading profit totalled R104.4m and after-tax profit R45.1m.

The directors are gloomy over immediate trading prospects. Mr Owen Horwood, the chairman, warns that economic conditons will deteriorate and result in a decrease in profits for the full financial year.

The interim dividend has been maintained at 6 cents although first-half earnings slid to 17.1 cents a share from 23.1 cents. Earnings were 32.0 cents a share for the last full year and a dividend total of 16 cents was paid.

CWD is controlled by the Rembrandt group and the Kooperatiewe Wijnbouwers Vereeniging which jointly hold 60 per cent of the equity. A further 30 per cent of the ordinary shares is held by South African Breweries.

● Sage Holdings, the South African investment company, increased pre-tax profits to R27.5m in 1984 from R24.9m in 1983. Earnings per share rose to 92.11 cents from 87.71 cents and the dividend has been raised to 48 cents from 42 cents.

BAII Middle East lifts earnings

By Mary Frings in Bahrain

PROFITABILITY has improved significantly at BAII (Middle East) EC, the Bahrain subsidiary of BAII Holdings of Luxembourg. Although assets fell during 1984 by US$46m to US$475m, net earnings were up 10 per cent from $2.42m to $2.67m.

There will be no increase in the interim dividend of $1.5m, which was already 50 per cent higher than the $1m paid in 1983.

Deposits, which are 83 per cent interbank, declined from $465m to $430m, and loans and advances were 11 per cent down at $181m.

Merrill Lynch in venture with Ayala

By Samuel Senoren in Manila

MERRILL LYNCH, the Wall Street securities house, and Ayala International of the Philippines, have formed a Singapore-based joint-venture company offering a wide range of financial services to clients in the Asia Pacific region.

The new company, Merrill Lynch Ayala International (MLAI), will specialise in asset management for clients with portfolios of at least $20m.

Mr Charles Ross, the chairman of Merrill Lynch International, and Mr Enrique Zobel, Ayala International's chairman, will jointly head MLAI.

Further growth for Canon

By Robert Cottrell in Tokyo

CANON, the Japanese photographic and office equipment manufacturer, has reported consolidated net profits of Y35.03bn for 1984, an increase of 23.3 per cent over the Y28.42bn earned on a similar basis in 1983. Sales grew by 26.3 per cent, to Y830.4bn ($3.19bn).

In the current year, Canon expects to earn group net profits of Y38.5bn on sales of Y970bn.

The company said its strongest sales growth during 1984 came from electric office machines, such as typewriters, word processors and facsimile transceivers. Camera sales rose by just 1.9 per cent, with video equipment showing the strongest sales

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BP unit hit by market conditions

By Dominic Lawson in London

BP OIL GROUP, the UK and Irish refining and marketing arm of British Petroleum made a replacement operating cost loss of £4m ($4.36m) in 1984, compared with a profit of £53m for the previous year.

Mr Ian Walker, the chief executive of BP Oil said yesterday: "We are clearly disappointed, but it is an indication of the extreme volatility of the market, and margins are getting tighter all the time."

At the end of the third quarter the company had made operating profits of £2m, but it was pushed into the red by heavy last quarter losses.

Mr David Kendall, BP Oil's finance director said that results for the first quarter of this year would not show an improvement, although three petrol price increases in recent weeks, meant that the group is now profitable.

The main reason for the losses were the decline in sterling, resulting in higher raw material costs, wide variations in term and spot crude prices, and lower refining margins.

However, currency movements provided stock profits sufficient to give BP Oil 1984 historic cost profits of £48m, compared with earnings of £41m in 1983.

It appears that the British miners' strike was of no assistance to BP. The group's most advanced refining units make their profits from a marked differential between the value of light and heavy oil products.

With the increased demand from the British Central Electricity Generating Board for fuel oil, that wide differential disappeared, and with it BP's refining margins.

BP did not sell more fuel oil since most of the additional oil needed during the miners' strike was imported.

NordLB dividend maintained at 4%

BY JOHN DAVIES IN FRANKFURT

NORDDEUTSCHE Landesbank (NordLB), one of the largest of West Germany's regional Landesbanks, is maintaining its dividend after another strong performance last year.

The bank will make an unchanged 4 per cent payout to its shareholders—the state government of Lower Saxony (which owns 60 per cent) and local savings banks (40 per cent).

Dr Bernd Thiemann, the chief executive, said that the bank's operating profit of DM 348.5m ($104.2m) was only marginally below the previous year's DM 352.4m. The group, including Luxembourg operations, the Bremer Landesbank and building savings banks, earned an operating profit of DM 632.5m, down 2.8 per cent.

NordLB's risk provisions are again about DM 150m, but Dr Thiemann said that the accent had shifted more towards foreign risk coverage. In addition, the slightly increased operating profit of DM 61.2m in Luxembourg has been put aside entirely to cover possible international risks.

NordLB, based in Hanover, resumed paying a dividend on its 1983 results after consolidating its recovery from major problems in the 1970s. Dr Thiemann has stressed that the bank is aiming at continuity of dividend payments.

Dr Thiemann said that negotiations were under way with the bank shareholders about the timing, volume and nature of new capital to be supplied to the bank.

This would help NordLB to meet the terms of the new banking laws, which tighten the relationship between a banking group's credit and its base of capital and reserves.

Dr Thiemann said that NordLB would need to boost its base by DM 280m by 1989, and the shareholders had agreed in principle to consider providing some of this amount through extra capital, in addition to the bank's own efforts to strengthen its reserves.

The parent bank's balance sheet total rose by 3.8 per cent to DM 60bn last year, while the group's total was up 5.5 per cent to DM 88.1bn.

NordLB has continued to build up its London operation, which was converted into a branch at the beginning of this year after receiving a full licence for deposit-taking.

Elkem trebles earnings

BY OUR OSLO CORRESPONDENT

ELKEM, the Norwegian metals, mining and manufacturing group, more than trebled profits last year to NKr 526m ($54.7m), before extraordinary items, on turnover which was 33 per cent higher, at NKr 7.88bn.

The company, which is applying for a listing on the London stock exchange in May, is stepping up its dividend from NKr 6 a share to NKr 8.50.

The rise in sales and profits partly reflected acquisitions, and partly strong world demand for key Elkem products—aluminium, silicon and ferro alloys.

The positive trends for these products have continued into 1985. However, on the basis of a general assessment of world business developments, group results before extraordinary items are expected to be somewhat lower this year than in 1984.

In July last year, Elkem exercised its option to buy two ferro alloys plants in Canada from Union Carbide. In a related move, it has increased its stake in the U.S. ferro alloys industry, boosting its share in Elkem Metals of the U.S. from 49 per cent to 67 per cent.

At the start of 1985 Elkem had 10,403 employees, of whom 3,422 were employed abroad. About 16 per cent of capital is held by foreign investors.

Borregaard pays more as profits jump 48%

By Fay Gjester in Oslo

BORREGAARD, the Norwegian industrial group, with interests in forest products, chemicals, metals and foodstuffs, is increasing its 1984 dividend to NKr 12 per share from NKr 10, after 48 per cent jump in pre-tax profits.

External sales reached NKr 4.7bn ($489m), against NKr 3.98bn in 1983, reflecting mainly higher sales of edible oils and fats, chemicals, pulp and paper, as well as increased income from trading.

Profit, before year-end adjustments and tax, was NKr 165.9m against NKr 112.4m, resulting in per share earnings slightly ahead of market forecasts at NKr 41.58, compared with NKr 24.63.

Chiefly responsible for the improvement in profits were the divisions making animal feed, edible fats and oils, detergents and toiletries and foodstuffs.

Folldal Verk (copper and pyrites) and Borregaard Industries (paper and pulp) maintained their profits, while results for the Moestue group (printing, fine paper, information systems) fell sharply.

Saetre Kjeksfabrikk, a biscuit manufacturer, acquired last month, earned a profit of NKr 11.4m in 1984. This has not been included in the latest group figures.

Italian investors warm to newly-created unit trusts

BY ALAN FRIEDMAN IN MILAN

ITALY'S newly created unit trusts have attracted a total of L3,747bn ($1.8bn) in investment funds since they began operating last summer.

The unit trusts, authorised by legislation in 1983, are seen as an important way of attracting fresh capital to Italian stock market—primarily to the Milan bourse.

The Bank of Italy has authorised a total of 27 fund management companies which will be permitted to offer a total of 44 unit trusts in Italy. In addition to the 15 already formed, a further 19 are awaiting formal approval.

The trusts, which are in part designed to attract small investors, are mostly run by the big banks and insurance companies—the traditional dealers on the Milan bourse. Their growth has been striking. Some funds have been pulling in funds at a rate of L100bn a day.

Banca Commerciale Italiana has teamed up with Generali, the leading Italian insurer, to offer a joint fund. Euromobiliare, the merchant bank, is planning its own fund. Eurofond, a unit trust owned 50 per cent by San Paolo Bank of Turin at attracted L150bn in just five days of operation.

If the 10 Italian unit trusts which have been operating out of Luxembourg for several years are added to the newly created domestic funds, the total of funds invested comes to L8,700bn.

The funds have clearly played a part in the recent buoyancy of the Milan bourse, which is now 45 per cent above its lows of January 1984.

No direct income tax concessions are available to investors, but the funds do offer certain fiscal advantages, notably in the form of tax-free capital gains if these are distributed as income.

Sandvik surges back into black

BY DAVID BROWN IN STOCKHOLM

SANDVIK, the Swedish cemented carbide and specialty steels group, surged into profit for 1984 after far-reaching rationalisation and an improvement in market conditions.

Before extraordinary items, the group has turned a loss of SKr 179m into profits of SKr 1.01bn ($105.9m), a performance significantly in excess of the mid-year forecast. Sales advanced by 12 per cent to SKr 11.29bn.

Sandvik is seeking permission to raise its dividend by a quarter—to SKr 10 a share from SKr 8.

Higher capacity utilisation and better demand combined with the benefits of several plant shutdowns produced lower costs. Operating results after appreciation soared from SKr 515m to SKr 1.55bn.

Extraordinary costs declined by SKr 524m to SKr 73m (the group posted considerable nonrecurring lossing in 1983) bringing the pre-tax result to SKr 940m, against a loss of SKr 770m.

The strongest improvement was noted in the cemented carbides division, which produces hard cutting tools. Its pre-tax result climbed from SKr 152m to SKr 795m, and sales advanced 14 per cent to SKr 5.89bn.

The steel division reported profits of SKr 239m compared with losses of SKr 190m the previous year. Steel sales rose 15 per cent to SKr 3.47bn.

● **Electrolux**, Europe's largest manufacturer of household appliances, has reached agreement with Goodyear Tire and Rubber of the U.S. to purchase Duo-Therm, its subsidiary which makes air conditioning and heating appliances for caravans and other leisure vehicles, writes **Kevin Done**.

Duo-Therm is based in La Grange, Indiana, and had sales last year of some SKr 550m. It is the leading U.S. company in this sector.

Big rights issue for Jacobs Suchard

By John Wicks in Zurich

JACOBS SUCHARD, the Swiss coffee and chocolate group, plans a rights issue to raise SwFr 315.5m ($111.3m) following improved profits for 1984.

Sales last year rose by 12¼ per cent to SwFr 5.1bn, and net profits are in line with December's forecast at SwFr 120.2m. For 1983 the company, which is family controlled, returned earnings of SwFr 110.2m.

The improved outturn is allowing an increase in the dividends of SwFr 150, SwFr 30 and SwFr 15 per bearer and registered share participation certificate respectively.

December's forecast of higher profits was accompanied by a brief statement about trading. Jacobs said it had experienced good chocolate sales from the middle of 1984 onwards, and that it had overcome its coffee trading difficulties in Germany.

The planned rights issue represents the group's second major funding operation in less than six months. Last October a total of SwFr 80m was raised via an issue of bonds with warrants.

The rights issue is to be a one-for-three at SwFr 3,500 per bearer share, SwFr 700 per registered share and SwFr 350 per participation certificate.

Jacobs also plans to increase authorised capital by the issue, without drawing rights, of 150,000 registered shares.

Strong advance at Lufthansa

By Jonathan Carr in Frankfurt

LUFTHANSA, the West German airline, "markedly" boosted profits in 1984, benefiting from international economic recovery and the related sharp upturn in air transport.

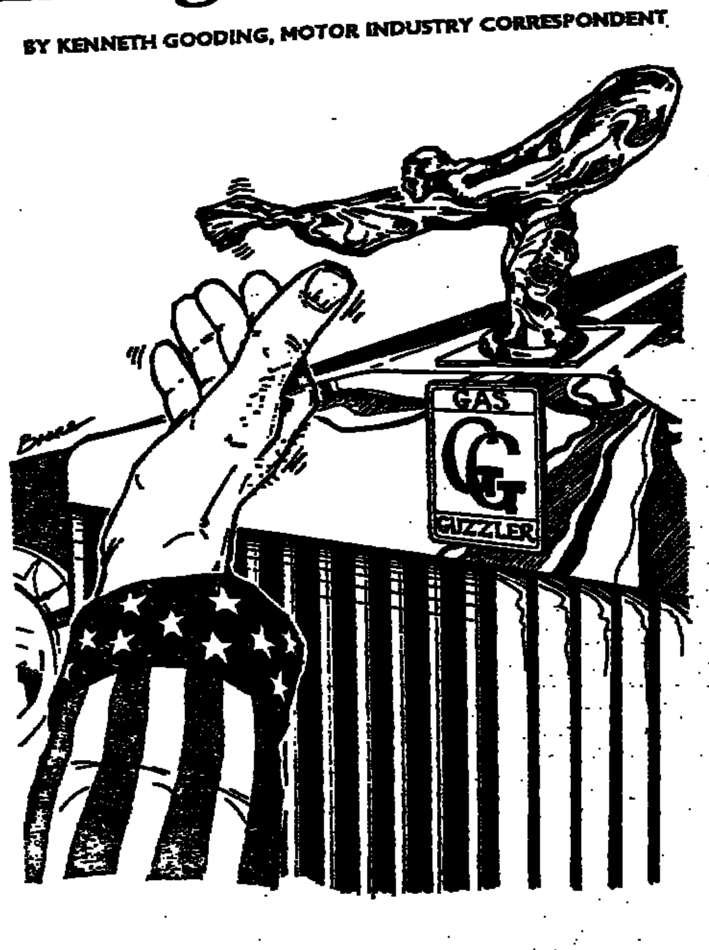
Gross operating revenue rose last year by 15.3 per cent to about DM 9bn ($2.69bn). The profit before has not been revealed.

Freight traffic revenue jumped especially sharply — by 26.4 per cent to DM 2.1bn, but passenger revenue was buoyant, too, rising by 12.4 per cent to DM 6.8bn. Lufthansa carried 15.3m passengers in 1984, an increase of 7.2 per cent.

The airline boosted net profit in 1983 by 40 per cent to DM 63m and increased its dividend to DM 3.50 a share from DM 2.50 in 1982.

Europe's top car makers take U.S. gas guzzling tax in their stride

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT



MOTOR MANUFACTURERS such as BMW, Jaguar, Mercedes and Rolls-Royce will pay millions of dollars extra this year in "gas guzzler" taxes, imposed in the U.S. to emphasise that it is anti-social to drive cars which drink too much fuel.

The rules have been tightened in 1985 so that any car which cannot travel 17.5 miles to the American gallon must pay. And that means Jaguar's best-selling saloon car is caught for the first time.

Each saloon will attract a $600 "gas guzzler" penalty while the Jaguar XJS will pay $1,200. Jaguar hopes to sell about 20,000 cars in the U.S. in 1985, up from a record 18,044 last year, and 20 per cent will be XJS models. This means the U.S. authorities will collect a total of $14.4m.

The tax liability is prominently listed on the windscreen of any car which must pay it, and is labelled "gas guzzler tax." In theory, the customer pays, but in practice the companies frequently absorb the tax in their quoted prices.

For example, Rolls-Royce, which attracts the highest "gas guzzle" penalty this year — $2,650 a car — reduced its U.S. list prices in April, 1983 and has left them unchanged since that time even though the tax has been increased each year.

BMW's 735 saloons will attract the tax to the tune of

Customers returning to larger-engined cars

$5.2m in 1984. Each manual gearchange version must pay $600 while the automatic will pay $500. BMW hopes to sell 10,400 of the 735 saloons this year, of which 9,360 will be automatics.

However, the West German group expects to lift total U.S. car sales from 71,000 in 1983 to 80,000 this year, so the "gas guzzlers" represent a relatively small part of its line-up.

Similarly, only part of Daimler-Benz's Mercedes car range faces the penalty. The 380 saloon $600 and the 500 $1,000 (the tax is calculated at the rate of $5 for each one-tenth of a mile by which a model fails to meet the 17.5 mpg standard).

If Mercedes equals last year's sales of 16,423 of the 380 models and 6,208 of the 500 saloons, the total tax would be $16.05m.

However, Mercedes, too, expects to boost its U.S. car sales from the 1984 level of 79,222 to 85,000 in the current year.

Although there is every sign that in the U.S. payment of the "*gas guzzler*" tax no longer carries any stigma, and cusetomers are returning more and more to larger-engined cars. Porsche has gone to a great deal of expense and trouble to ensure that the 928S sports car, which previously attracted the penalty, does so no longer.

By making changes to the cylinder head of the 928S engine, Porsche considerably improved its fuel economy figures.

In August last year, the company pulled out of its previous arrangement, whereby Porsche cars were imported and distributed in the U.S. by Volkswagen-Audi. Last year 22,000 of the 45,000 cars produced by Porsche went to American customers and in 1985 the company expects to sell half its 50,000 output in the U.S.

All the other major European exporters to the U.S. claim that they have no "gas guzzlers" in their ranges. And they all forecast a rise in sales there this year.

Volvo, the most successful in terms of units sold, expects a small increase, perhaps 5 per cent, on the 98,000 cars sold in 1984. That would be enough to take the company above the 100,000 level — the first time any European importer has reached that mark, although five Japanese companies each sell many more cars than that.

Saab hopes to increase sales from 25,700 to 38,000 this year, and Peugeot is looking for a rise from 20,000 to over 24,000.

There is a separate tax which car companies are liable to pay if the average consumption of their total range is below 27.5 mpg this year.

Jaguar reckons its CAFE (corporate average fuel economy) will be 19 mpg and that it will have to find $425 a car or $8.5m in total for this year. However, CAFE is calculated after the end of the year and the authorities currently are under considerable pressure from the American manufacturers to ease the regulations.

Mercedes, which paid over $5m for 1983-84 in CAFE charges expects to pay more in the current 12 months while Saab and Porsche will also be caught by this particular piece of legislation. However, Volvo hopes to squeeze just inside the limits, while BMW and Peugeot have enough CAFE "credits" from previous years to see them through 1985.

There is one more hazard facing the European car companies in the U.S. this year. A new tax law militates against cars costing over $16,000 bought for business use.

At one time the European manufacturers were highly concerned about the potential impact, but they now seem to feel they have little to fear. Mercedes did some market research, and concluded it would be little affected, for example.

However, the results of the Mercedes' survey contrast with one conducted by Arthur Andersen, the international

Sales forecast to rise this year

accountants which revealed the new tax law had had an immedite impact on the buying habits of small and medium sized companies.

Some 32 per cent of the companies questioned by Andersen's Philadelphia office and based mainly in eastern and central Pennsylvania, southern New Jersey and Delaware, suggested their car-buying policies would change.

Andersen maintained the figures indicated the tax law could have a real effect on the luxury car market because businesses would think about keeping high-priced cars longer than in the past.

DRUG DEALERS MAY BE LOSING ONE OF THEIR MOST IMPORTANT CONNECTIONS.

The U.S. Treasury is coming down hard on drug dealers, and the banks they use to wash away any link between the drugs and the profits made from them.

This week's cover story in Business Week points out that the U.S. drug trade is an $80 billion a year business transacted in $20 bills.

So simply to avoid being drowned in cash, the dealers need money laundering.

But authorities are using tough new laws against them. One even allows the government to confiscate the dealers' ill-gotten gains.

And while some banks are cooperating, according to Business Week, others are resisting tougher laws because they fear for the privacy of their law-abiding customers.

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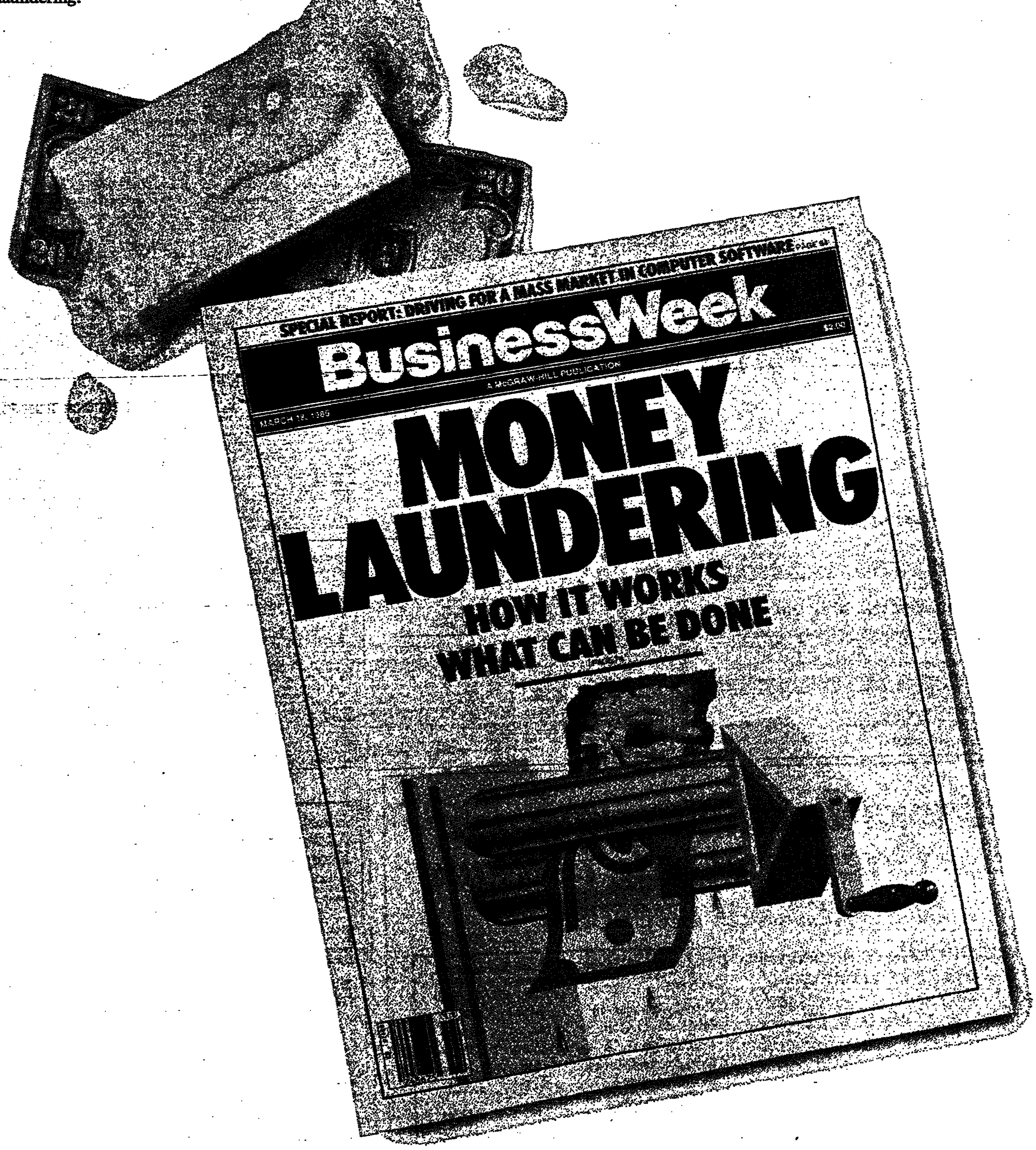


UK COMPANY NEWS

GKN rises 36% but 'work still to be done' in UK sector

Guest Keen and Nettlefolds, the UK engineering group, boosted its pre-tax profits last year by 36 per cent from £88.1m to £120.2m, mostly because of sharp improvements in the U.S. and continental Europe.

It expects to make further progress in 1985. Results for January and February, ahead of those for last year, "support this expectation." But, said Sir Trevor Holdsworth, the chairman, "the UK is still the area where we have some work to do to achieve our objectives."

GKN's automotive components activities were now making a satisfactory return on assets of nearly 20 per cent around the world, he added. Sales to the UK industry are now far less significant for the group than they were a few years ago.

Sales for the year were up from £1.97bn to £2.16bn, of which £1.05bn (£1.01bn) was achieved in the UK, £554m (£480m) in the rest of Europe, £462m (£303m) in America, and the rest in other markets.

Although UK output of vehicles was lower last year, increased sales of automotive components and products were achieved by domestic companies as a result of higher exports. The transmissions companies in West Germany, France and Italy recorded good results, but sales to the depressed European commercial vehicle market remained low.

The year was an excellent one for the U.S. car industry, with the GKN's plants making constant velocity joints there performing well, the group said. It made a loss on autoparts distribution in the UK, though less than in 1983, and hopes to be in the black by this year-end.

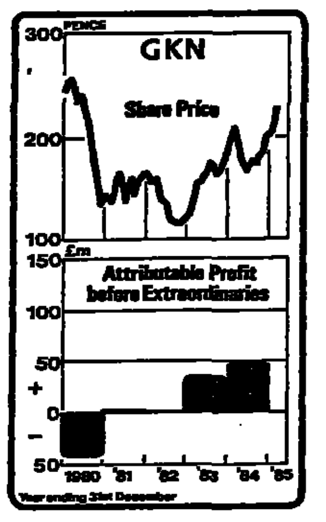
GKN said its steelstock company improved profitability considerably. The Brymbo steel works in Wrexham achieved good export sales, with the effect of the high rise in scrap prices partly offset by greater efficiency.

The 1984 dividend is being increased from 9p to 10.5p a share, with the final payment up to 6.5p from 5p. Earnings per share were stated at 21.4p against 17.4p.

Capital spending last year was £24m higher at £116m, split fairly evenly between Britain and overseas. A similar amount would be spent in 1985. Research and development expenditure was £44m.

The net gearing ratio—net borrowings as a percentage of shareholders' funds—increased from 40.8 per cent to 54.1 per cent.

Net borrowings rose from £240m to £312m at the period end after taking into account the proceeds of the issue of £25m of preference shares by a subsidiary a year ago.



● comment

The reconstruction of GKN has been one of the most extensive and laborious in British industry. But, with yesterday's preliminary figures, the group could at last claim to have resolved the bulk of its problems and to have set itself on a path of sustainable growth. Reorientation continues to be a costly exercise. The £115m spent on fixed assets last year was not far short of twice the depreciation charge and will remain at roughly that level in 1985. But, so long as the group's interest cover holds up at the 1984 level of 4.2 times, the relatively high balance sheet gearing should not be a constraint. The one real trouble-spot is the UK: the return on capital of 6.5 per cent is less than half the group average. GKN reckons to be able to push it up to 20 per cent within two years, which implies a UK trading profit of £100m or more. If the group achieves it, those profits will shoot straight down to the attributable level and provide shareholders with long overdue retentions. There is plenty of life left in GKN's constant velocity joints while the introduction of new automotive products, including power steering, should enable the group to buck all but the most dismal trends in the automotive industry. Pre-tax profits of £150m look attainable this year which, after a 45 per cent tax charge, would leave earnings of about 30p. So last night's share price of 224p values the group on a multiple not much above seven times. That is by no means expensive.

Schroders all-round increase to £15m

DISCLOSED profits of Schroders, banking, finance, insurance and investment concern, after tax but before extraordinary items, amounted to £15.14m for 1984, compared with £14.42m. Last time, however, there was an extraordinary credit of £6.5m.

After transfers to inner reserves, out of which reserves provision has been made for diminution in value of assets, operating profits were £14.24m, against £11.79m.

The improvement in the group's results was broadly based with investment management activities "performing particularly strongly."

The total disclosed profit for the year included £9.85m available for distribution, of which £2.9m will be absorbed. This is equivalent to 18.5p (16.5p) per £1 share with a 12.5p (13.5p) final payment.

Disclosed profits were after loan interest of £3.14m, against £2.46m.

● comment

The analysts voted Schroders' results slightly disappointing but the shares held steady at 785p in spite of that yesterday. The merchant banking fraternity is hardly renown for offering breakdowns on profits and Schroders is no exception. But on the face of it one or two of its activities must have been less than sparkling in 1984 bearing in mind that about half the profits improvement at the pre-interest level can be accounted for by currency translation gains. Fund management, however, was by no means one of the sluggards with a 25 per cent improvement in its contribution and funds under management worldwide now up to £11bn. Evidently there is no thought of floating it off as a separate company. That operation must be good for further growth in 1985 while the commercial banking activities should also see improved returns given the effort that has been put in over the last year to raise the quality of its lending activities. The outlook for securities activities and corporate finance remains problematical at this stage in the year but overall the market must be thinking in terms of, say, £16½m this year.

Martin Dickson examines the motives behind Sears' bid for Foster Brothers

Match-making for Miss Selfridge

"WHAT DOES a chap do when he goes into Miss Selfridge with his girlfriend?" asks Mr Geoffrey Maitland-Smith, chief executive of Sears Holdings, one of Britain's biggest retailers and the owner of the Miss Selfridge womenswear chain.

"He stares at the wall, he watches his girlfriend choosing clothes, he looks at the pretty girls and then he says: 'I've had enough of this. I'm off.' But if we could attract him . . ."

Mr Maitland-Smith's vignette goes a long way to explaining why Sears yesterday plunged into the takeover battle for Foster Brothers, the High Street menswear chain, with an agreed £114m offer topping the hostile bid by Ward White.

Sears' interests include Selfridges; Lewis's, the regional department stores; the shoe chains Freeman Hardy & Willis, Dolcis and Saxone; the womenswear chain Wallis; and sports outfitters Olympus. It has more retail outlets than any other UK company, including the High Street banks. But it does not have any menswear interests outside of its department stores.

The acquisition of Foster Brothers, which has some 740 outlets in the UK, some 550 of them in menswear and boyswear, would immediately plug this gap.

And, says Mr Maitland-Smith, it would also provide the group with the core expertise to build a new up-market menswear chain which could live alongside Miss Selfridge branches in new Sears superstores, offering a range of goods in an enticing environment. End of boyfriend problem, and a healthy increase in Sears' profits, or so the theory goes.

However, Sears' move on Foster Brothers produced a distinctly mixed response in the City yesterday. Analysts were agreed that it was logical for Sears to get into menswear, but some queried the quality of many Foster Brothers outlets.

MANFIELD Selfridges Lewis's FHW Wallis Dolcis Saxone LILLEY + SKINNER William HILL ROLAND CARTER GARRARD The Crown Jewellers Mappin & Webb TRUEFORM OLYMPUS Miss Selfridge Galliford SMT BUTLER SHOE Shoe & Kilburn

There was also considerable raising of eyebrows over the price Sears is prepared to pay, taking into account the worse-than-expected financial picture revealed yesterday by Foster, particularly its increased borrowing and the heavy losses incurred by its 49.8 per cent owned American associate, Natco Industries, a menswear chain.

Foster's net asset value, taking account of recent property revaluations, is put at around £79m. But if Foster's goes ahead with its plan to get out of Natco, that will probably cost it about £16m. The result is a net asset value per share of around 136p, which compares with a Sears' offer worth 228p a share last night.

"It is a full price," says Mr Maitland-Smith, "but it is a fair price. Where else can you buy 740 shops like this? It is clearly worth a premium. The potential from Sears' point of view is considerable."

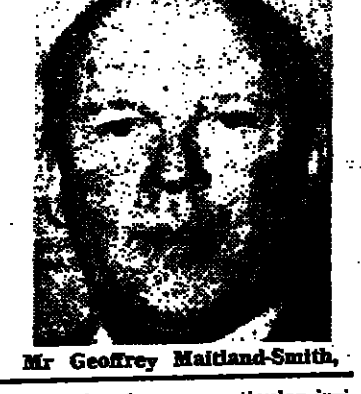
Why then, did not Sears launch a hostile bid before Ward White? That, says Mr Maitland-Smith, is not the company's style: "We prefer to do things on an amicable basis."

Certainly, Sears' bid for Foster is its most dramatic takeover move since its abortive attempt two years ago to shake up the mail order business by merging Grattan and Empire Stores and taking a minority stake in the resultant combine.

And some analysts reckoned last night that the bid marked something of a departure for the empire built up by the late Sir Charles Clore, which has a reputation for great caution and very economical price tags in its acquisitions.

Assuming no reference to the Monopolies Commission and no higher bid, just what would Sears be getting for its money, and what would it try to do with its new outlets?

Foster has been going through a rough financial patch, partly because of its U.S. problems, partly because of trading conditions in Britain (the miners' strike has been a particular irritant) and partly because it has been investing heavily in the modernisation of its stores.


Mr Geoffrey Maitland-Smith,

In the year to February 1984 it had pre-tax profits of £8.3m (including a £1.3m surplus from property sales) on turnover of £90.7m. But in the year just ended its position has deteriorated sharply.

The company estimated yesterday that pre-tax profits from UK trading operations were around £5m, compared to £8.8m the year before. However, the consolidated pre-tax profit—taking into account both hefty U.S. losses and the proceeds of property sales—would only be around £1.7m.

The core of the business is Foster's menswear chain, operating from some 500 sites and catering for the middle range of the market. Many of them are in unexciting locations in small towns, described by Sears yesterday as "secondary positions."

However, Mr Maitland-Smith said they were good quality shops—improved by the modernisation programme—which Sears would continue to develop.

Clearly the company would also be able to sell off the less attractive sites or "swop" them for some of its other retail outlets.

Foster also runs the profitable Millets chain of camping and leisurewear shops, which Sears believed would fit well alongside Olympus — the fashionable sportswear chain it has built up to around 100 outlets in just a few years in response to the fitness boom.

Two other Foster chains — Dormie, the dress-hire company, and Esquire — an up-market men's clothing retailer — would go to form the nucleus of the male counterpart to Miss Selfridge.

Foster also has a loss-making womenswear chain, Peter Richards, acquired just six months ago. Sears would probably incorporate the bigger units in Miss Selfridge and sell off the rest.

As for America, Mr Maitland-Smith said that one of his most urgent tasks would be to decide whether to endorse Foster's decision to get out of Natco.

The acquisition of Foster would not make much of an immediate difference to the balance of Sears' business. Its turnover is around £2bn and pre-tax profits of around £185m are forecast by the market for the year just ending.

Shoe retailing is the biggest earner, accounting for some 50 per cent of profits, followed by other retailing (around 25 per cent), property and the William Hill chain of betting shops.

But Fosters would mark a further shift in the business towards what the company sees as its main growth area—retailing other than shoes and, in particular, the development of those Sears superstores.

Heavy tax holds back Ultramar

FINAL QUARTER taxable profits at Ultramar have more than doubled from £42.1m to £98.9m boosting this oil and gas exploration group to £284.9m for 1984, against £156m. However, after a heavy tax charge of £157.3m, net profits came through just ahead at £127.6m, compared with £122.1m.

Turnover expanded to £3.26bn (£2.06bn) with £929.6m against £724.6m coming in the last three months.

Mr Lloyd Bensen, chairman since the beginning of 1985, says the current year has started well and he expects a good result for the first quarter.

For the balance of the 12 months, he says that better margins are expected in the refining and marketing divisions than last year, and the group should begin to see the benefit of cost reduction measures.

Pre-tax figure for 1984 included much higher associates share of £38.9m (£2m) and other operating income of £41.5m (£42.5m) but was after interest charges £56.3m higher at £79.2m.

A final distribution of 6.5p lifts the total dividend from an effective 8.5p to 10p net per 25p share. Shareholders are being offered the opportunity of electing to receive fully paid new shares instead of the cash dividend. Earnings were shown at 47p (46.6p).

An analysis of operating profits of £190m (£96.7m)—after tax but before interest and administration charges—shows: Exploration and production £144.6m (£72.9m) — Indonesia £81.1m (£58.9m); UK £51.1m (£10.6m); Western Canada £7.8m (£6.2m); U.S. £2m loss (£1.9m loss); Enstan operations £8.6m (nil); other areas £2m loss (£0.9m loss). Refining and Marketing £50m (£21.4m)—Canada and U.S. East Coast £40m (£9.5m); U.S. West Coast £10.6m (£6.9m); UK £1m (£4.4m); International trading £1.6m loss (£0.6m profit). Shipping £5.3m loss (£0.5m profit); other activities £0.7m (£1.9m).

Sales of oil (barrels per day) amounted to 291,200 (241,100) at the year end, oil refined (barrels per day) 104,000 (88,400), and oil produced (barrels per day) 26,400 (10,600). Gas produced (thousands of cu. ft. per day) amounted to 340,000 (£183,800).

Cash flow from operations for the year totalled £215.4m, compared with £124.5m, and capital expenditure, amounted to £287.7m (£306.2m).

Mr Bensen says that 1984 was a difficult year for the oil industry. Overcapacity in all phases and the resulting struggle to maintain market share, kept pressure on profit margins of petroleum products and restricted the group's ability to increase sales of LNG from the expanded plant in Indonesia, the chairman states.

"As a result we have yet to realise the full potential of some of the major capital projects completed in 1983."

● comment

Ultramar has singularly failed to impress over the past year—apparently unable to get to grips with the preformance of its Canadian and U.S. downstream operations in general and its new Quebec catalytic cracker in particular. Moreover, the City was none too happy about the Enstar acquisition, which increased still further the group's commitment to Indonesia at a time when it had been making noises about an increased presence in the U.S. and the UK. However, the shares which have fallen from a peak of 361p and were up 2p to 210p yesterday, now fail to do justice to the real recovery hopes in these difficult downstream operation—now that the cracker is cured—or to the slightly better demand outlook for Indonesian LNG. Assuming the group makes reasonable progress to £145m net profit, the shares change hands on a multiple of only four—too great a discount to the sector, even allowing for the City's sense of insecurity about Indonesian earnings. At the very least, the 7 per cent yield should limit any further relative decline.

Kleinwort mops up loose House of Fraser shares

BY JOHN MOORE, CITY CORRESPONDENT

Kleinwort Benson, the merchant bank, yesterday bought £2.58m worth of shares in House of Fraser group on its own behalf.

Mr John MacArthur of Kleinwort, which is acting for the Al-Fayed family in their £615m takeover of the Fraser stores group, said that the purchase of the 660,000 ordinary shares, representing 0.4 per cent of the Fraser equity, was "just a mopping up operation of the loose shares in the market." Kleinwort paid 391p per share.

Mr Norman Tebbit, Secretary of State for Trade and Industry, has not yet decided whether or not to refer the Al-Fayed bid for Fraser to the Monopolies and Mergers Commission, and an announcement may not be made until Friday. Mr Tebbit's department is understood to be sifting extensive claims by Lonrho, and supporting evidence, on why the bid should be referred.

Mr Tebbit has also to decide on whether Lonrho should be released from its undertakings not to bid for Fraser following the favourable decision by the Monopolies Commission that any bid by Lonrho would not operate against the public interest.

In other moves yesterday, Lonrho Finance, a wholly-owned subsidiary of Lonrho, has told its shareholders that it proposes an issue of $40m bonds 1985/2000 convertible into up to 20m ordinary shares of 25p each of the company, representing a 7.5 per cent stake.

The bonds will be convertible until the year 2000 at a fixed price subject to adjustments in certain events, and will be based on a small premium over the middle market quotation of the company's shares on the Stock Exchange, prior to the issue of the bonds.

The net proceeds of the issue will be used to consolidate the short-term indebtedness of the Lonrho group.

Mr Roland "Tiny" Rowland, Lonrho's chief executive, through a company controlled by him, has built up his personal holding in Lonrho by the purchase of 1m shares. His total holding in the company is now 46m shares, representing 17.44 per cent of the capital.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
U.S. Debs	3.73¶	—	4.27	5.98	6.52
Victor Products ......int.	1.6	Apr 8	1.6	—	4.6
Wolseley-Hughes ...int	3	July 31	2.68*	—	8.75*
Bejam Group ....int	1.75	Apr 25	1.4*	—	3*
James Fisher	1.7	—	1.6	3.2	3
GKN	6.5	—	5	10.5	9
Invergordon	2.75	—	2.5	4.25	4
Lowe Howard-Spink ...	2.6	May 15	—	2.6	—
Promotions House	0.7‡	—	—	0.7	—
Schroders	12.5	May 10	13.5	18.5	16.5
Telemetrix ....int.	0.6	April 23	0.5	—	1.4
Ultramar	6.5	June 3	5.5*	10	8.5*
United Biscuits	4.8	July 1	4.3	7.5	7
Refuge	7.75‖	—	6.5	11.75	10
J. Hewitt	2	May 8	2	2.4	2.4*

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. ¶ For 11 months. ‖ Special interim in lieu of final dividend.

Cook's U.S. travel interests sold

Midland Bank has completed the sale of the U.S. travel business of its Thomas Cook subsidiary to Dun & Bradstreet, the U.S. business information group.

The sale price was not disclosed but it was understood to be at a substantial premium to net asset value of $6m (£5.5m) of the business being sold.

Thomas Cook will retain its U.S. travellers cheque business and will have an option to acquire 20 per cent of the travel agency back within four years should U.S. banking legislation be changed.

Midland was forced to divest the travel agency because of its acquisition in 1981 of Crocker National Bank, as U.S. law bars banks from engaging in non-banking activities.

The 60 retail branches being acquired by Dun & Bradstreet, mainly aimed at business travellers, will keep the Thomas Cook name as well as close reciprocal trading arrangements with the UK group.

Tavener Rutledge

Sugar confectionery manufacturer, Tavener Rutledge, continued to show a steady improvement in 1984, according to the directors, and they say that recovery will continue during 1985. Pre-tax profits grew from £107,000 to £155,00, and turnover came to £7.84m against £7.47m.

There is again no ordinary dividend—the last was paid for 1977.

Lawtex recovering

Lawtex, a manufacturer of clothing and umbrellas, is recovering, with more than doubled taxable profits of £234,000, against £104,000, in the first half-year to December 31 1984.

The result has been reflected in a doubled interim dividend up from 0.75p to 1.5p, and directors intend to recommend a final payment of the same amount—last year's total was 1.5p.

As for the year as a whole, the directors are aware that there is still considerable scope for further improvement.

The half-year turnover advanced from £8.47m to £10m.

Net profits came out at £221,000 (£98,000), after tax of £13,000 (£6,000). Earnings per 25p ordinary share are stated at 11p, against 4.9p.

Public Loans and Works

Years	Quota loans repaid by EIP†	Quota loans repaid A‡	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* repaid A‡	Non-quota loans A* repaid at maturity§
1	—	—	12¼	—	—	13
Over 1, up to 2 ...	12¼	12¼	12	13¼	13¼	12⅞
Over 2, up to 3 ...	12⅛	12	11⅞	13⅛	13	12¾
Over 3, up to 4 ...	12	12	11⅞	13	13	12⅝
Over 4, up to 5 ...	11⅞	11⅞	11⅞	12⅞	12⅞	12½
Over 5, up to 6 ...	11⅞	11⅞	11⅞	12⅝	12⅝	12⅝
Over 6, up to 7 ...	11¾	11¾	11⅞	12⅝	12⅝	12⅝
Over 7, up to 8 ...	11⅞	11¾	11⅞	12⅝	12½	12⅝
Over 8, up to 9 ...	11¾	11⅞	11¾	12⅝	12½	12⅝
Over 9, up to 10 ...	11¾	11⅞	11⅝	12½	12⅝	12½
Over 10, up to 15 ...	11¾	11¾	11¼	12½	12⅝	12⅛
Over 15, up to 25 ...	11⅝	11⅛	11	12⅛	12¼	11¾
Over 25	11⅛	10⅞	10⅞	11⅞	11⅝	11⅝

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

UK COMPANY NEWS

Bejam profits near £10m as costs stay under tight control

Bejam Group lifted pre-tax profits by 25 per cent to £9.76m in the half-year ending December 29, 1984.

Mr John Apthorp, the chairman, says that with costs continuing to be tightly controlled, pre-tax profit margins increased from 5.07 per cent to 5.66 per cent.

The directors of this food and freezer retailer have declared an interim dividend of 1.75p net, against an equivalent 1.4p. Net earnings per 10p share were shown as 4.58p, compared with an adjusted 3.37p.

The chairman says that sales grew in volume in existing stores, and that the new branches also contributed well. Total turnover during the half year moved ahead from £153.82m to £172.47m.

For the current period Mr Apthorp says that the experience since Christmas leaves the directors confident that the second half will produce profits "in excess" of the corresponding period in 1984, when profits before tax of £7.87m were achieved.

During the first half new stores were opened in Cwmbran, Hertford, Northwich, Nottingham, Wood Green, Farnborough and Southampton. The latter two replaced smaller outlets in the same locality, and the group entered 1985 trading in 212 freezer centres, the chairman says.

Tax this time took an increased £4.08m (£3.66m).

Net profits emerged at £5.67m (£4.15m), and the dividend absorbs £2.17m (£1.73m).

● comment

The management buy-out of Meatpak Hampshire a year ago, stripping out a small amount of sales made at cost, has enhanced Bejam's margins but even so the rise of more than a tenth in the pre-tax return remains the most impressive feature to emerge from the interim figures. The sales rise of 12 per cent—which roughly breaks down into five from new stores, three from price inflation and four from extra volume—has been transformed into a profits increase of 25 per cent. For the *full year* £19½m now looks possible dropping the prospective p/e at 156p to under 17. The frozen food market remains a growth sector and Bejam *is* increasing its market share—12 new stores will be opened by next Christmas. On that basis the shares have appeal though its quoted rival, Iceland, has tended to hog the market's attention since its listing debut last October. Up to a point that is fair as Iceland is smaller, growing faster and with an exciting image, but Bejam should not be neglected.

J. Fisher results hit by dock and pit strikes

James Fisher, shipping group, managed to increase pre-tax profits to £2.85m in the year to December 31 1984, against £2.1m, in spite of two national dock strikes and the knock-on effect of the miners' dispute.

The board says these had an adverse effect on group profitability. Turnover in 1984 rose 22.8 per cent to £35.08m (£28.57m).

Pre-tax *profits* were *after* charges of £5.68m (£5.74m) for depreciation and £2.96m (£3.24m) for interest, while short-term investments interest attracted £141,000 (£304,000).

Tax was £319,000 (£290,000) and there was an extraordinary debit of £870,000 (£638,000). Earnings per 25p share, calculated on a net basis, were stated at 11.08p (7.93p) and a final dividend of 1.7p (1.6p) will be paid, making 3.2p (3p).

In August 1984 the company acquired Coe Metcalf Shipping from Booker McConnell for £4.35m, of which £3.35m was paid in cash with the balance by an issue of 1m ordinary 25p shares.

Coe owns 13 vessels, 10 of which are used for cargo and tanker business, while three are specialist offshore exploration vessels.

It looks forward to achieving a further improvement in pre-tax profit for the current year and views the future with confidence in the light of the world economic recovery linked to the company's policy of development and diversification.

UK limits Wolseley-Hughes growth to 25%

THE RATE of growth at Wolseley-Hughes slowed in the first half of the 1984-85 year, but the group still managed a 25 per cent increase in taxable profits. Profit growth last year was 64 per cent.

The result for the six months to January 1 1985 showed a rise from £10.64m to £13.31m, with substantial increases in the U.S. outweighing static trading conditions in the domestic market. Group turnover moved ahead from £209.29m to £257.95m

Mr Jeremy Lancaster, the chairman, says that the outlook for the remainder of the financial year is for a continuation of this trading climate.

Wolseley - Hughes Merchants, he major UK distribution offshoot, "held its own." Divisional trading profits were virtually unchanged at £7.2m (£7.05m) in what the chairman considers to be a fiercely competitive market where there was no overall growth. Divisional sales came to £114.96m (£107.16m).

On the other hand, the U.S. distribution subsidiary, Ferguson Enterprises, lifted trading profits from £3.08m to £5.94m on turnover £43.57m ahead at £122.22m. The market there continues to be buoyant, says the chairman, despite regional variations. "Fortunately," he says, "many of the Ferguson branches are well situated in a number of advantageous locations." The group's results for the half-year benefited by some £0.68m as a result of favourable exchange rates.

As regards other activities, the chairman says that the uncertainty and anxiety felt by farmers were responsible for lower sales and profits in the agricultural machinery division. These were £9.85m (£10.59m) and £604,000 (£753,000) respectively.

Improved throughput helped the engineering division to lift trading profits from £392,000 to £526,000 on sales unchanged at £7.52m. Plastics sales were down from £5.38m to £3.37m, but there was a £76,000 rise in profit to £378,000.

The directors have in effect declared an increase in the interim dividend from 2.675p to 3p. The total last time — when profits surged by over £10m to £25.95m on the strength of the distribution division's performance — was an equivalent 8.75p. Earnings per share for the half year are stated at 18.29p (14.93p adjusted).

Interest charges rose from £943,000 to £1.34m after which taxable profits were subject to UK corporation tax at £3.33m (£3.17m) and overseas tax at £1.62m (£660,000), to leave net profits at £8.36m against £6.81m. The dividend will account for £1.37m (£1.22m) of this.

At the period end the group's sterling balances were roughly the same as at the year end. However, dollar borrowings, when converted into sterling, increased by about £15m, of which around £6m arose from exchange rate reductions.

● comment

The City could scarcely believe the profit flow last year from Wolseley-Hughes' plumbing and heating *equipment distribution* on both sides of the Atlantic. This year's performance is likely to be more modest with another strong U.S result matched by a rather flat out-turn in the UK, reflecting the respective state of the construction industry in each country. The contrast only serves to emphasise the wisdom of the group's move into the U.S. three years ago—indeed next year or 1987 at the latest, U.S. distribution profits should comfortably exceed the UK. This is not to decry the UK performance —the slight profit improvement should compare favourably with the expected results of other building materials groups due in the next few weeks. Wolseley-Hughes share have deservedly fallen less against the market than comparable distributors in the past year—with the U.S. connection they should continue to have strong defensive qualities. The shares, up 5p to 320p, trade on a multiple of eight, assuring full-year profits of £28.5m and a 35 per cent tax charge.

OCL profits hit by tax charge

BY ANDREW FISHER, SHIPPING CORRESPONDENT

Overseas Containers, one of the world's largest container shipping companies, boosted pre-tax profits in the year to end-November 1984, to a record £55.6m from £14.2m, but showed a loss after sharply increased tax and special charges.

Mr Kerry St Johnston, chairman, repeated warnings expressed in the industry about "the dangerously competitive future in the Far Eastern trades." OCL is owned by Peninsular and Oriental Steam Navigation (47.4 per cent), Ocean Transport and Trading (32.8 per cent) and British and Commonwealth Shipping (19.8 per cent).

The main charge eroding profits was £38m to cover extra tax OCL expects to have to pay in the next five to 10 years as a result of the 1984 Budget. This has previously been regarded as deferred indefinitely.

Last year's budget withdrew the tax allowances on investments with the industry had enjoyed. Companies have been campaigning for these to be restored in the Budget next week.

OCL also incurred losses and made provisions totalling £8m as a result of the withdrawal of its combi-vessels (able to take cargoes in containerised and non-containerised form) from the FarFar East-Gulf back-up service.

OCL's attributable loss was £9.Em against a profit of £4.7m the previous year.

Turnover for the year was £553m (£516.4m). Loans and leases due after more than one year were down to £108m (£180m), with deferred tax up to £49m (£3.9m).

OCL, whose routes cover Europe, South Africa, the Gulf, the Far East, Australia and New Zealand, said present trading was satisfactory, but too much capacity was entering routes to the Far East.

Mr St Johnston said: "Increasing competition and a less favourable currency situation could adversely affect results in the latter part of the year."

Disappointing first half expected for Blundell

AT YESTERDAY'S annual meeting of Blundell-Permoglaze Holdings, shareholders were warned that the company made a poor start to the year.

Mr Robert White, chairman, said that even with the improvement expected in the spring, it was likely that results for the first part *of the year would be* disappointing.

He said that the directors anticipated maintaining last year's total dividend, of 7p, provided there was no further deterioration in trading in the coming months.

The fiercely competitive trading conditions which operated in the company's principal market in the UK during the final months of the past financial year had continued into the current year, he said. Despite this, the company had announced price increases effective from April 1, which would offset rising raw material costs.

Furthermore, he said, margins would be helped by the progres*sive effect of planned cost cut*ting, which would include a reduction in employees of some 60 people by the year end.

In 1983/84 profits of this paintmaker and supplier to the building industry fell from £2.04m to £1.24m.

The company's shares closed at 132p yesterday, down 5p.

Lowe Howard-Spink tops profit forecast at £2.4m

Lowe Howard-Spink Campbell-Ewald Holdings, advertising agency group, exceeded profit and dividend forecasts for 1984 made at the time of the company's flotation last June.

Pre-tax profit was £2.36m (£1.01m) against a forecast of not less than £2.25m for the year to December 31 1984. Turnover was up at £52.14m (£46.71m)—£56m was forecast. Extraordinary costs of £260,000 in 1983, arose mainly from the merger of Lowe & Howard-Spink with Wasey Campbell-Ewald.

Earnings per share were stated at 12.2p (4.4p) and a final *dividend of 2.6p will be paid*, against 2.4p forecast at the time of flotation. There was no interim.

Comparison figures have been calculated as if the companies comprising the group had been combined throughout 1983.

Mr Frank Lowe, chairman, says the company made excellent progress in attracting major *clients and has extended its work for existing clients*, who include General Motors, L'Oreal, Whitbread and Unilever.

Mr Lowe says he looks forward to 1985 confident that the company will continue to meet its objectives of highly creative and effective advertising, with overall growth and financial stability.

● comment

Market sentiment has improved significantly since around two-thirds of the shares of Lowe Howard-Spink Campbell-Ewald were left with the underwriters last June when the advertising agency came to the market. The shares added a further 5p to close at a high of 315p after pre-tax profits comfortably exceeded the £2.25m prospectus forecast. The arrival of Tim Bell as group chief executive from Saatchi and Saatchi began the rerating, which has probably gone as far as it can until the agency comes up with some exciting news. Analysts expect pre-tax profits to rise to £2.75m in the current year based on the existing client base. That gives a prospective p/e of 22 assuming a 45 per cent tax charge. Lowe Howard has shown that it is a very tightly run shop achieving generous 4.1 per cent margins, way above the sector average. Its aim is to maintain that margin and win some big new clients; a new business department has been set up for the purpose. An acquisition also looks likely, either in the UK or Europe.

Quotron hopes to take on Reuters after SE quote

BY MICHAEL MORGAN IN NEW YORK

IN ORDER to help the expansion of its foreign operations, Quotron Systems, the Los Angeles-based computerised financial information supplier, is seeking a quotation on the London Stock Exchange. Dealings are expected to start on March 29.

The company, which also developes and manufactures its own computer hardware and software systems, is currently completing a $1m, two-year development of its London computer centre which it sees as the gateway to an increase in its foreign business.

The company recognises that it faces stiff opposition from Reuters, but expects to meet the challenge by offering more comprehensive stock market listings, backed up by fundamental, technical and research data on quoted companies.

Quotron recently reported a 12 per cent rise in 1984 net income to $26.82m (£24.67m) on revenues that rose 23 per cent to $189.79m.

Quotron, founded in 1957, was the first company to offer electronic stock quotations. Today, it supplies on-line financial information on stocks, bonds, options, commodities and futures to around 72,000 customer terminals in more than 6,300 U.S. locations.

The development of its activities outside North America is part of a two-way trade. As financial markets become more international Quotron has seen a demand from existing U.S users for market information from Europe and the Far East.

The company already has eight computer centres around the U.S. London will become its ninth centre, enabling U.S. data to be transmitted to foreign markets and for European and Far Eastern information to flow in the opposite direction.

UK COMPANY NEWS

Utd. Biscuits up 5% and calls for £98m

United Biscuits (Holdings), the largest biscuit manufacturing group outside the U.S., yesterday reported a modest 5 per cent increase in pre-tax profits to £87.2m for 1984 and unveiled plans to raise £98.2m net by way of a rights issue.

This is the year's fifth largest rights issue behind Barclays, Trafalgar House, STC, and Royal Bank of Scotland and brings the running total for this fund raising method to £1.47bn, compared with £1.39bn for the whole of 1984.

Sir Hector Laing, group chairman, says that the cash call is needed to both strengthen the balance sheet and finance continued expansion—at the end of 1984 net borrowings amounted to £249m compared with shareholders' funds of £302m—interest payable on 1984 rose—from £16.1m to £23.4m.

United last made a rights issue in 1980, raising £34m. Since then, £87m has been invested in fixed assets in the UK, efficiency improvements have cost £26m, and Keebler, the U.S. subsidiary, has invested the equivalent of £109m in capital expenditure.

The profit and loss account in 1983 had to absorb £35.3m of extraordinary debits which, after dividends, left the retained balance at £400,000. In 1984 there was only a £2.6m charge for rationalisation, closure and deferred tax, resulting in the bottom line profit of £35.7m.

Although 1984 marked the 14th consecutive year of record sales, up from £1.42bn to £1.74bn, and profits, Sir Hector says that the pre-tax profit increase is modest.

But, he says 1984 has been a year of "very significant progress." UK businesses increased trading profits by 25 per cent, UB Biscuits achieved a 21 per cent rise plus share improvements in both the biscuit and confectionery markets, and UB Foods contributed 24 per cent more with volume growth in all of its sectors.

The restaurant companies, Wimpey and UB Restaurants combined, lifted profits by 34 per cent, and all parts of the frozen foods company were profitable with the exception of TFC-Sorge.

However, on the other side of the Atlantic, Keebler's sales rose by more than 21 per cent but trading profits fell by 23 per cent in dollar terms—the first fall in more than a decade.

This was due, the chairman says, to price competition in soft cookies and associated marketing costs, as well as the costs of entering the West Coast and the salty snacks markets.

A favourable exchange rate reduced the decline in profits to 13 per cent in sterling terms.

Shareholders are set to receive a 7 per cent increase in their dividend. The directors are recommending a final payment of 4.8p, against 4.3p, making a total of 7.5p compared with 7p.

This is covered more than twice by stated earnings per share of 19.6p against 18.3p, after tax of 24.7m (£25.4m).

The rights share, underwritten by Morgan Grenfell & Co. are being offered on a one-for-five basis at 158p each, giving a discount of 16 per cent to last night's closing price of 188p, down 4p.

United hopes to at least maintain the total dividend for this year at 7.5p on the enlarged share capital.

Sir Hector says that the outlook for 1985 is encouraging, although the months of January and February are traditionally quiet and this year has proved no exception

He expects a strong operating performance in the UK. Keebler's results, he says, wil depend on the intensity and the duration of the "cookie war," but its market share gains in 1984 are an "encouraging indication of the future."

● Keebler is being sued by Procter & Gamble which alleges patent infringement by Keebler in its line of "Soft Batch" cookies. Keebler is strongly defending the case which is in its early stages, and has refuted the validity of the Procter & Gamble patent and denied its infringement.

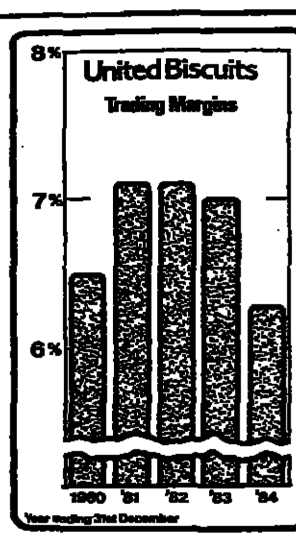
During the second half of the year, the traditionally staid cookie market experienced unprecedented volume growth approaching 12 per cent. Keebler's tonnage increased by nearly double that level, an increase attributable entirely to the new soft cookie range, "Soft Batch," the director state.

See Lex

DIVISIONAL PERFORMANCE ANALYSIS

	Turnover 1984 (£m)	Turnover 1983 (£m)	Trading profit 1984 (£m)	Trading profit 1983 (£m)	% change 1984/83
UK					
UB Biscuits	379.4	345.5	42.5	35.1	21.1
UB Foods	251.6	228.1	23.9	19.2	24.5
UB Frozen Foods	113.9	86.7	0.4	1.0	−60.0
Other	208.2	185.8	10.9	7.1	53.5
North America					
Keebler	695.0	500.5	32.3	37.1	−12.9
Other	89.8	87.7	7.8	6.4	21.9
Rest of World	50.6	35.8	0.5	1.1	−54.5
Total*	1,743.1	1,424.7	110.6	99.4	11.3

* Less inter-company sales and unallocated costs.



Bensons' plans for expansion backfire

By Lionel Barber

Bensons Crisps, a fast-growing USM stock, yesterday admitted it had run into trouble and announced a £1.8m refinancing package.

Bensons, based in Kirkham near Preston, said it had suffered £840,000 trading losses after doubling turnover last year to more than £10m.

"We bit off more than we could chew," said Mr Malcolm Jones, chairman and managing director. He said the company's problems arose from an ambitious plan to expand crisp production at a new plant in Newport, South Wales.

Two years ago, just after Bensons joined the USM, the board decided to move into Newport, Mr Jones's hometown. The idea was to achieve geographical spread for the business. But even before the plant came on stream, Bensons hit trouble.

Firstly, the plant, rented from the Welsh Development Authority, was two months late in opening. "We found ourselves sitting in with the builders," said Mr Jones. By this time, Bensons had hired salesmen, overheads were soaring, and an effective sales campaign had created big orders which the plant could not satisfy.

When the plant finally opened in January 1984, the order backlog was such that Bensons had to push production at Kirkham and buy in crisps from outside suppliers. Then came the "great potato disaster."

Bensons had negotiated contract prices for potatoes at £120 a ton. But in the early months of last year, with sales booming, it was forced to buy on the open market — at £240 a ton. "It was a very hairy experience," said Mr Jones.

To compound the company's problems, Bensons had bought a second business, XL Crisps, from Associated British Foods, for £275,000. XL, based in Great Harewood, near Blackburn, was supposed to be able to satisfy pent-up demand, but production problems stymied any chance of fully meeting orders.

The company was forced to boost production at Newport, and within four months of opening, the plant was operating three shifts and employing 130 people. But production problems ensued, leaving the company with total non-recurring costs of more than £500,000. "I would stress that the situation has now stabilised," said Mr Jones, pointing out that the Newport plant was now making a small profit.

Under the refinancing package, the company's bankers, Williams and Glyn's, has agreed to provide overdraft facilities of £1.2m. Lancashire Enterprises, the industrial aid scheme launched by Lancashire County Council, will provide additional loans of £450,000.

The Welsh Development Agency has also guaranteed a £150,000 advanced by Barclays Bank under the European Coal and Steel Community loan scheme.

Mr Jones said he was sure the refinancing would increase efficiency and restore profitability.

Second half improvement lifts Invergordon by 14%

INCLUDING a six months contribution from Ronald Morrison and Co, acquired last July, **Invergordon Distillers (Holdings)** has increased taxable profits by 14 per cent in 1984.

The result was a rise from £3.63m to £4.13m, and followed a first half virtually static at £1.84m. Invergordon is 76 per cent owned by Carlton Industries, of which the ultimate holding company is Hawker Siddeley.

The final dividend is 0.25p higher at 2.75p for a 4.25p total, up from 4p. After tax at £1.27m (£1.07m), earnings per share are given at 14.7p (13.11p).

Turnover improved from £22.96m to £25.96m,

● comment

Brand-loyal whisky drinkers in the bars of New York didn't realise they were the test market for Invergordon's Scots Grey, launched through distributor Ancient Age about 15 months ago. Sales flopped, well short of the 100,000 cases Invergordon had hoped for. (Australia, however, welcomed Scots Grey and Invergordon expects sales of 50,000 cases down under next year). Nonetheless, the group managed £505,000 of progress mostly from increased sales of fillings to the major blending houses in the UK— J & B, Teachers, Cutty Sark, Grouse—which makes up 70 per cent of its business. Sales of bulk and bottled blends make up the other 30 per cent and half of this goes to Europe. Invergordon's progress, though slight, was achieved in a contracting market place, drowned by generic scotch from the shelves of Sainsbury's and battling to regain customers converted to white spirits, wine and water. And the phenomenal growth of single malt (exports increased 18.5 per cent in 1984) has forced Invergordon to push its own brand. Outlook for this year? Similar, although Invergordon sees a swing back to hard spirits in 1986. Hawker Siddeley is quick to dispel rumours that it wants to sell Invergordon shares which rose 5p to 132p where the p/e is 9.

Pit strike hits Victor Products

Victor Products slumped into the red in the first half of 1984-85 mainly as a consequence of the miners' strike, says Mr L. R. Mann, group chairman.

The dispute, he says, reduced the company's NCB related business to fall to a little more than a quarter of the normal level, and points out that NCB business is not likely to return to its former level.

Victor, which manufactures industrial and mining equipment, experienced a decline in sales from £7.27m to £6.85m and incurred losses of £549,000 pretax, against £508,000, for the period to end-October 1984.

Despite this however, the board is confident of making an early return to profitability and is holding the interim dividend at 1.6p per share the loss per share was 9.04p (earnings 4.16p) after tax of £104,000 (£152,000).

Regarding the NCB situation, Mr Mann says that efforts are continuing to break into new markets and to accelerate the advancement of new designs, particularly in export markets, given sterling's lower value.

Dunlop's reduced loss led BTR to increase offer

BY CHARLES BATCHELOR

Dunlop, the tyre and rubber products group, yesterday revealed the financial information which persuaded BTR to increase the value of its takeover bid to £101m last Friday from its initial offer of £44m.

Dunlop halved its overall loss to £88m in the year ended December 1984 from £166m in 1983, according to estimated unaudited figures contained in BTR's offer document.

This loss resulted largely from extraordinary items totalling ordinary shareholders' funds to £58m, or 40p per ordinary share at the end of 1984. This compared with ordinary shareholders' funds of £110m at the end of 1983.

It was the sight of these figures which helped persuade Sir Owen Green, chairman of BTR, to triple the value of his ordinary offer to 63p from 22p last Friday.

Yesterday's offer document said little about Dunlop's prospects in 1985. However, Sir Michael Edwardes, Dunlop's chairman, said in an accompanying letter that 1985 was "a transitional year in our recovery strategy." From 1986 Dunlop's margins would have been substantially improved by his board's rationalisation programme.

Disposals during 1985, principally of Dunlop's U.S. tyre business and plans to raise £100m by means of a rights issue would have reduced borrowings to less than £100m by the year end, after taking into account operating needs. This compared with borrowings of £513m at the end of 1984.

Dunlop's unaudited results for 1984 showed that it made an operating profit of £71m on turnover of £1.58bn. This compared with a profit of £63m on turnover of £1.6bn the year before.

Dunlop made a net profit of £27m compared with £17m the year before after unchanged financing charges of £51m.

The £72m of extraordinary losses included £23m to write down the U.S. tyre business to a realisable value and just over £30m of rationalisation costs for ongoing businesses. No further rationalisation costs for ongoing businesses will be needed this year.

"In considering BTR's offers, we were conscious that we were only two months into the year and the bulk of our rationalisation and divestment programmes had still to be successfully implemented," Sir Michael Edwardes wrote.

"We were about to have to ask our shareholders to put up a very large sum of new money to recapitalise the company and after this we did not expect there to be a significant earnings for shareholders in 1985.

"Against this background we concluded we could not recommend the continued independence of Dunlop in the light of the more than trebled cash offer from BTR."

BTR's revised offer closes on March 27.

Life branches help lift Refuge 15% to £5.9m

Refuge Group, the Manchester-based home service life company and investment linked company, reports net profits for 1984 increased by over 15 per cent, from £5.1m to £5.9m.

Dividen payments for the year are lifetd by 17.5 per cent form an adjusted 10p to 11.75p per share, with the payment of a special interim dividend in lieu of a final of 7.75p.

The two main life branches made substntial increases last year to the profit and loss account. The ordinary branch lifted its payment by 20 per cent from £1.95m to £2.35m, while the industrial branch improved its profit transfer by 13 per cent, from £2.68m to £3.03m.

The group's unit-linked operation Refuge Investments contributed £47,00 to profit and loss compared with £84,000 in the previous year. This drop in profits reflects the high level of new business transacted in 1984 — triple that of 1983 — with its cost strain and deferal of tax relief.

The group reports a net profit of £86,000 on its general branch operations against £207,000 in 1983. Underwriting losses in 1984 amounted to £1.1m. A profit transfer of £50,000 is again made from this branch.

General insurance business does not appear to have been hit as severly as many other insurance groups by the winter weather at the beginning of 1984. Its motor account is showing a good claims ratio of slightly more than 60 per cent. The profit drop reflects more the impact of expenses on the account.

● comment

The 15 per cent profit rise from Refuge is very much in line with market expectations. The buoyant investment conditions in 1984 results in strong growth in the value of the underlying life funds — growth that will be passed on to policyholders and shareholders not only in the 1984 dividend increase but for the next few years ahead. New business in 1984 was satisfactory considering the ending of tax relief on life assurance premiums in last year's Budget, while the group's unit-linked operations really took off last year. However, new life business is expensive to put on the books and results in a deferral of the tax relief item to the company. The outlook for the current year is one of continued steady growth from the traditional life business but little yet from the unit-linked operations. The general insurance business will continue to pay its way. The group has a sound general insurance portfolio that rode out last year's winter storms well and seems to be avoiding the problems on motor business that are plaguing the bigger insurance groups. The share price rose 2p on the results to 330p, yielding 5.2 per cent.

Opus buys troubled Wren

Opus Supplies, which sells peripherals for home computers, has bought **Wren Computers** from the Receiver. Wrent was a subsidiary of **Prism Technology** and went into receivership in January.

Opus refused to say how much it paid for the company but is thought to have been around £200,000 plus a royalty on sales of Wrent products. Until hte sale, Wren management had been trying to buy the company and raised the money at the time the deal with Opus was being made.

Opus is best known for supplying disc drives for the BBC Micro, made by Acorn Computers. Opus refused to say what plans it had for Wren or whether it would recruit any of the company's former employees who were made redundant last week.

The Wren is a low-cost portable computer which was manufactured by Thorn EMI Datatech. The business plan drawn up by the former management predicted profits of £780,000 on sales of £3.8m in the current year.

Utd. Parcels sells leasing offshoot

United Parcels has sold its leasing subsidiary, United Carriers Leasing, to an undisclosed, non-quoted purchaser for £4.6m. United said this would significantly reduce the provisions it would otherwise have had to make for deferred tax on leased assets. The company did not consider there was a long term future in leasing, in view of the reduction in capital allowances under last year's Finance Act.

Stakis buys 51 Dee off-licences for £5.7m

Stakis, the hotel and casino group, is substantially expanding its wines and spirits distribution business by buying 51 off-licences from **Dee Corporation**, the supermarket group, for £5.7m.

The outlets, mainly in the North-west, were part of the Lennons chain acquired by Dee last year. Dee has already sold 15 off-licences to International Vintners and Distillers for £1.15m and plans to retain the remainder as they are adjacent to supermarkets.

Dee, headed by Mr Alec Monk, bought International Stores last year and is offering about £330m for food distribution and agribusiness group Booker McConnell.

Stakis is due to pay cash by April 9 for the 51 stores, which will extend the coverage of its Haddows wine and spirits division. It operates 103 off-licences in Scotland. The shops being purchased had a turnover of £14.9m in the year ended March 31 1984.

IBS agrees £5.4m bid by Wheelabrator

Wheelabrator International, part of the U.S. Signal Companies group, is to make an agreed bid worth £5.4m cash for Immediate Business Systems, manufacturer of portable computerised billing systems for gas and electricity companies.

IBS came to the USM in February 1982 forecasting a loss, which it duly made. Just over a year later it made a £2.5m rights issue. Business failed to pick up and in February 1984 shares were suspended while a refinancing package — a £2.35m rights issue — was worked out.

It made a reduced loss of £845,000 in the six months ended September 1984 against a loss of £1.23m in the comparable period.

Wheelabrator's offer of 40p for each IBS share has been irrevocably accepted by the directors and other holders of a total 8.46 per cent of the shares.

Signal is an engineering and aerospace group operating worldwide from La Jolla, California. It bought Wheelabrator, a manufacturer of pollution control equipment and synthetic fuel systems in early 1982. IBS's shares rose 2p to 42p yesterday.

MINING NEWS

Variables in SA gold producers' equation

BY KENNETH MARSTON, MINING EDITOR

LOOKING AT gold price prospects for this year Mr C. G. Knobbs, chairman of South Africa's veteran and now marginal **East Rand Proprietary Mines (ERPM)** and **Durban Deep** gold producers, expects some improvement in the U.S. price but sees no obvious prospect of a major rally because of Soviet sales and lower oil prices.

He notes the recent strengthening of the South African rand following the Reserve Bank's decision to retain a much greater amount of dollars and to tighten its control over the commercial banks' foreign exchange dealings. The anticipated stronger rand, he feels, should result in an average rand gold price similar to the high levels of recent months.

This does not offer any prospect of Durban Deep paying a dividend this year in view of its R16.8m (£7.7m) capital spending programe and battle against rising costs. Nor is there any hope of a dividend from ERPM until is Far Eastern Vertical shaft and ancillary systems are commission in 1989.

This shaft system, originally proposed in 1980, is vital for the future of the mine. It would give access to higher grade ore, increase production and considerably lower unit costs. "A unique opportunity for ERPM not only to avert closure but to become a prosperous mine in its own right," says Mr Knobbs.

The snag is that it is now estimated to cost R186m spread over five years and ERPM does not have this kind of money. Possible financing arrangements are being pursued and a decision on government participation is imminent.

Mr Knobbs says that they will have to be finalised soon because the company's cash resources will run out towards the second half of this year. An announcement on the plans will be made shortly.

He joins other industry spokesmen in calling for the racial barriers to job advancement to be lifted, notably in the removal of the "scheduled person" restriction on black workers contained in the Mines and Works Act.

Talks with the white unions and officials' associations have started on this controversial issue, although how far they get remains to be seen. However, Mr Knobbs comments that because of South Africa's acute shortage of skilled workers, black advancement should not cause the majority of skilled white workers to fear for their future.

Kidd Creek chief warns on costs and productivity

IF CANADA'S mining industry is to survive in the tough international markets of the late-1980s it will have to continue controlling costs and increasing productivity, according to Mr Donald C. Lowe, president and chief executive officer of **Kidd Creek Mines**, the precious and base metal-producing subsidiary of the Government-owned **Canada Development Corporation**.

He noted that in a world where productivity and cost efficiency were becoming the watchwords of survival, Canada was sadly lagging behind.

"Productivity levels, as measured by real gross national product per person employed are now 18 per cent below those of the United States . . . our performance is even worse when you compare it to other countries," added Mr Lowe.

He announced that Kidd Creek had earned C$16.9m (£11.3m) in 1984 following two years of losses (the loss in 1983 was C$1.2m), "thanks largely to continued emphasis on increasing productivity and costs."

During the fourth quarter, earnings amounted to C$11.9m and reflected increased sales coupled with lower interest rates and a weakening in the Canadian dollar. Last year Kidd Creek announced a C$60m phased expansion and upgrading of its Timmins, Ontario, copper smelter and refinery.

Meanwhile, **Echo Bay Mines** and Kidd Creek have entered into an agreement to carry out a feasibility study of the latter's base and precious metals deposit at Izok Lake, about 45 miles south-west of Echo Bay's Lupin gold mine in Canada's Northwest Territories. The study is due to be completed by June, 1986, at an estimated cost of C$500,000.

Telemetrix achieves 102% interim profit increase

Telemetrix, electronics designer and manufacturer, achieved a 102 per cent increase in pre-tax profits to £1.85m in the six months to January 5 1985, against £919,000 in the corresponding period.

Turnover was up 98 per cent at £8.18m (£4.13m). Earnings per ordinary 5p share were 6p (3.1p) and an interim dividend of 0.6p (0.5p) will be paid.

Telemetrix says it has seen further substantial growth in its business in the current year, with exports accounting for more than 50 per cent of sales. **Westward Technology**, a subsidiary, has successfully entered the U.S. market largely supplying specialist engineering industries.

Technical innovation generated by **Telemetrix Research** has enabled it to win several important design and development contracts including one valued in excess of £500,000.

The group adds that its products are directed at a number of specialist markets not generally susceptible to variations in consumer demand. This allows high margins to be maintained while offering a secure base for the future.

Mr Roy Cole, chairman and managing director, says: "While these results are highly satisfactory, our sales achievements continue to be constrained by our production capacity."

With the resolution of this problem, he anticipates further growth in the current year with the objective of becoming a major world force in target markets.

● comment

With these results Telemetrix has put its recent problems behind it, a legacy which, in the longer term, will probably be seen to have been just an unfortunate six-month setback in the scheme of things. Having had to endure the flak from a missed forecast in its debut year as a public company, the current period seems to be on cue. Being a small company in the midst of a market with seemingly enormous potential, its main concern is to satisfy demand — and the urgency of this is illustrated by the fact that there are some £5m of unfulfilled orders on the books. To do this, hte company is pushing ahead with a new factory to add another £50m to existing annual capacity when fully on stream in about 18 months time. Pitching for this level of growth inevitably raises the question of long-term finance, especially as the present level of capital commitment will soon exhaust cash reserves. Given the healthy cash flow there is plenty of flexibility to take an overdraft on board but the more sensible option would be to increase the equity base. Shareholders could well be asked for up to £10m some time in the next financial year. In the meantime a steady build-up to around £4.6m looks possible for this year. After tax at 35 per cent, the prospective multiple of over 26 at 400p would seem to anticipate the underlying potential.

Land Investors

Land Investors, property development and investment group, reported pre-tax profit virtually unchanged in the six months to September 28 1984 at £1.58m. Gross rental income was up at £2.54m against £2.37m.

There was an extraordinary credit of £3.26m (£1.03m), being the surplus over cost on the disposal of investment properties. Earnings per 25p ordinary share were quoted at 0.89p (0.81p) and an interim dividend of 0.3p (0.2p) will be paid.

SECTION III – INTERNATIONAL MARKETS

FINANCIAL TIMES

Thursday March 14 1985

Norwegian bank breaks new ground with FRN coupon, Page 50

WALL STREET

Retail sales rise takes its toll

BOND PRICES fell by up to a full point in the credit markets yesterday after an unexpectedly large rise in retail sales during February indicated that the economy was continuing to grow at a stronger pace than many analysts had anticipated, *writes Michael Morgan in New York.*

Stock prices opened marginally ahead in moderately active trading but by lunchtime they began to turn down, unsettled by continued weakness in technology issues.

At the close the Dow Jones industrial average was down 10.05 at 1,261.70.

In the credit markets, bond prices fell in the wake of the 1.4 per cent rise in retail sales for February and in reaction to a federal funds rate that opened higher at 8 11/16 per cent.

With the funds rate advancing further to 8 15/16, the Fed stepped in with the addition of liquidity through a $1.5bn customer repurchase arrangement, however, the rate later edged further up to stand at 9 per cent.

Among Treasury coupon issues, the price of the key long bond was 28/32 lower at 95 13/32 while declines of up to half a point were seen in prices of Treasury notes.

In the money markets, yields on Treasury bills rose sharply. The three-month bill yielding 8.68 per cent was 17 basis points higher while the six-month bill yielding 9.03 per cent was 20 basis points higher. Yields on certificates of deposit were up to 30 basis points firmer.

In the stock markets, trading in American Natural Resources and Coastal Corporation was suspended as ANR said the two companies were negotiating a possible business combination under which ANR shareholders would receive $65 a share. ANR returned to trade up $1¾ at $63¾ in heavy volume while Coastal was $¼ down at $35⅞.

Standard Oil (Indiana) added $½ to $63¼ as it took defensive action against possible unwelcome bids.

AT&T traded down $¼ at $21⅝ amid reports of a joint telecommunications venture in Japan with Toshiba.

Phibro-Salomon, the Wall Street investment banking and commodity trading group, was $¼ lower at $37⅞ after the latest management reorganisation at its Philipp Bros non-oil commodity marketing business.

Wang Laboratories shed another $¾ to $20 in further reaction to its expectations of a 30 to 40 per cent drop in net income for the current quarter.

ITT picked up much of the previous day's decline to trade $⅝ higher at $32. Its announcement of sharply lower fourth-quarter earnings came after the market had closed on Tuesday.

People Express fell $⅝ to $7¾ as the airline revealed estimated losses of between $20m and $25m for the first two months of 1985. Pan American eased $⅛ to $4⅝ as it began talks with striking ground crews.

Retailer F. W. Woolworth put on $¾ to $40 in the wake of last year's record operating profits.

Crown Zellerbach, the paper and pulp group, added another $½ to $37½ in continued reaction to the stake taken by the Hong Kong-based General Oriental Investments – controlled by UK financier, Sir James Goldsmith – and two affiliates.

Castle & Cooke, the food products and property group gave up $¼ to $11⅛ after its agreement to be merged with Flexi-Van. The transport group, controlled by takeover specialist, Mr David Murdock, traded $1 higher at $31¾.

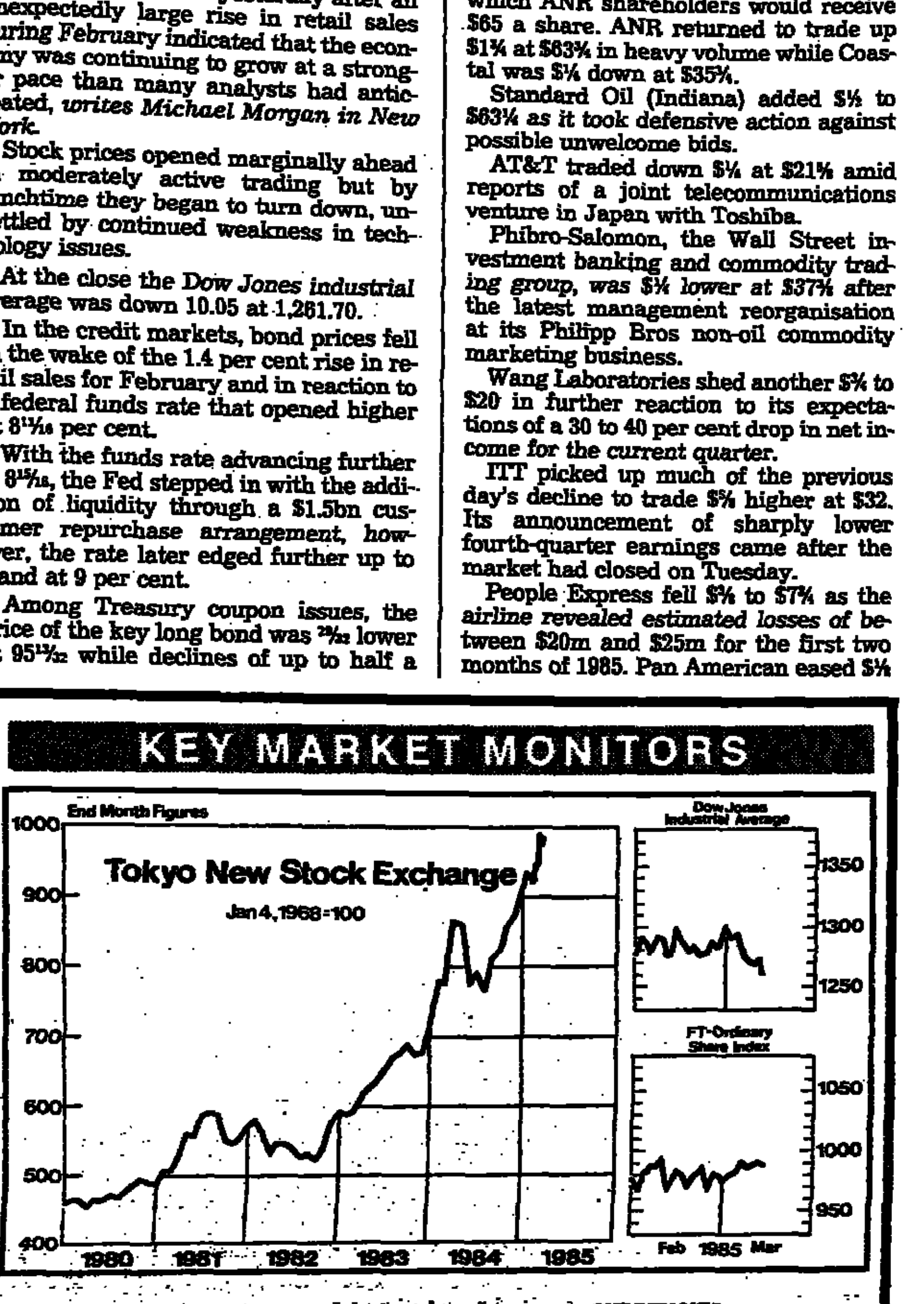
In the high-technology sector, Paradyne fell $1¼ to $14¼ after the Department of Health and Human Services proposed suspending the computer maker from further government contracts. The department alleged that Paradyne misrepresented its ability to fulfil a $118m contract awarded in 1981.

Telex Corp, which makes computer-readout terminals, dipped $1⅛ to $42, having traded as low as $41½ earlier in the day.

Computervision, the office automation group, fell a sharp $9⅞ to $23½ in heavy volume. It predicted a break-even first quarter with lower revenue growth, and two brokerage houses lowered their opinions on the stocks.

Among actively traded issues on the NYSE, Phillips Petroleum added $¼ to $48⅝, and Chrysler was $¼ ahead at $34⅞. On the American Stock Exchange, Data Products was an active feature, losing $¼ to $15¼.

KEY MARKET MONITORS



STOCK MARKET INDICES

	Mar 13	Previous	Year ago
NEW YORK			
DJ Industrials	1,261.70	1,271.75	1,184.78
DJ Transport	608.61	615.59	511.21
DJ Utilities	148.44	148.03	126.25
S&P Composite	178.19	179.66	156.78
LONDON			
FT Ord	987.4	990.4	864.6
FT-SE 100	1,295.2	1,300.0	1,082.5
FT-A All-share	624.79	625.86	513.74
FT-A 500	683.41	685.10	556.00
FT Gold mines	484.1	481.7	703.1
FT-A Long gilt	10.81	10.77	10.01
TOKYO			
Nikkei-Dow	12,419.26	12,296.87	10,194.7
Tokyo SE	986.53	977.14	806.80
AUSTRALIA			
All Ord.	787.4	784.1	719.0
Metals & Mins.	471.2	469.0	495.1
AUSTRIA			
Credit Aktien	72.42	73.03	55.19
BELGIUM			
Belgian SE	2,310.05	2,306.98	–
CANADA			
Toronto			
Metals & Mins	2,033.1*	2,059.0	2,267.0
Composite	2,594.2*	2,607.6	2,400.5
Montreal			
Portfolio	129.21*	130.54	117.80
DENMARK			
Copenhagen SE	174.44	175.08	188.9
FRANCE			
CAC Gen	208.4	208.0	160.5
Ind. Tendance	113.1	112.6	85.37
WEST GERMANY			
FAZ-Aktien	419.27	420.87	344.00
Commerzbank	1,214.3	1,216.1	1,008.7
HONG KONG			
Hang Seng	1,335.82	1,371.51	1,086.24
ITALY			
Banca Comm.	276.96	277.28	217.24
NETHERLANDS			
ANP-CBS Gen	209.7	208.5	159.6
ANP-CBS Ind	165.6	165.3	131.7
NORWAY			
Oslo SE	328.14	327.78	250.41
SINGAPORE			
Straits Times	831.31	838.02	1,004.70
SOUTH AFRICA			
Golds	n/a	908.0	1,039.6
Industrials	n/a	847.7	1,050.0
SPAIN			
Madrid SE	111.36	112.05	83.12
SWEDEN			
J & P	1,444.17	1,419.18	1,490.45
SWITZERLAND			
Swiss Bank Ind	428.9	426.9	362.3
WORLD	Mar 12	Prev	Year ago
Capital Int'l	196.6	195.9	183.1

GOLD (per ounce)

	Mar 13	Prev
London	$293.50	$288.00
Zürich	$291.75	$288.45
Paris (fixing)	$289.78	$290.12
Luxembourg	$290.30	$289.45
New York (Apr)	$291.90	$292.30

* Latest available figure

CURRENCIES

(London)	U.S. DOLLAR Mar 13	U.S. DOLLAR Previous	STERLING Mar 13	STERLING Previous
$	–	–	1.086	1.089
DM	3.358	3.345	3.645	3.645
Yen	260.15	260.2	282.5	283.25
FFr	10.255	10.225	11.125	11.13
SwFr	2.8485	2.8345	3.0975	3.095
Guilder	3.7935	3.791	4.12	4.1275
Lira	2,103.5	2,095.5	2,283.75	2,281.0
BFr	67.35	67.4	73.15	73.4
C$	1.389	1.38975	1.509	1.5055

INTEREST RATES

	Mar 13	Prev
Euro-currencies (3-month offered rate)		
£	14	13¾
SwFr	5⅞	5⅞
DM	6⅛	6⅛
FFr	11⅛	11⅛
FT London Interbank fixing (offered rate)		
3-month U.S.$	9 9/16	9 9/16
6-month U.S.$	9 11/16	9 13/16
U.S. Fed Funds	9	8⅝
U.S. 3-month CDs	8.95	8.9
U.S. 3-month T-bills	8.64	8.51

U.S BONDS

Treasury	Mar 13* Price	Mar 13* Yield	Prev Price	Prev Yield
10 1987	99 20/32	11.70	99	10.57
11⅝ 1992	98 24/32	11.86	99 9/32	11.93
11¼ 1995	96 16/32	11.69	97 9/32	11.72
11¼ 2015	95 9/32	11.84	96 16/32	11.69
Corporate	**Mar 13* Price**	**Yield**	**Prev Price**	**Yield**
AT & T				
10⅜ June 1990	95	11.65	95	11.65
3⅞ July 1990	74¼	10.30	74¼	10.30
8⅝ May 2000	74⅝	12.50	74⅝	12.50
Xerox				
10⅜ March 1993	92¼	12.20	92¼	12.20
Diamond Shamrock				
10⅜ May 1993	91½	12.30	91½	12.30
Federated Dept Stores				
10⅜ May 2013	88.128	12.55	88.128	12.55
Abbot Lab				
11.80 Feb 2013	93.47	12.65	93.47	12.65
Alcoa				
12¼ Dec 2012	94.36	13.00	94.36	13.00

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
March	69–07	69–13	69–05	69–24
U.S. Treasury Bills (IMM) $1m points of 100%				
March	91.31	91.52	91.31	91.49
Certificates of Deposit (IMM) $1m points of 100%				
March	90.87	90.96	90.89	91.00
LONDON				
Three-month Eurodollar $1m points of 100%				
June	89.34	89.57	89.29	89.47
20-year Notional Gilt £50,000 32nds of 100%				
March	103–27	104–10	103–24	104–07

COMMODITIES

(London)	Mar 13	Prev
Silver (spot fixing)	513.35p	508.60p
Copper (cash)	£1,258.50	£1,262.50
Coffee (March)	£2,370.00	£2,360.00
Oil (spot Arabian light)	$27.70	$27.70

LONDON

BNOC move unsettles sentiment

THE SCRAPPING of the British National Oil Corporation brought sudden weakness to oil stocks and generally unsettled the financial markets in London yesterday. Prior to the BNOC move, progress was steady with a constant stream of corporate statements and bid announcements stoking up selective interest.

The belief that lower bank lending rates had been postponed because of the February rise in sterling M3 was the main deterrent to investment. The likelihood of higher home loan borrowing costs and the plethora of cash calls on the market tempered the tone.

The FT Ordinary index reflected the early oscillations in the market with an opening 3.7 advance being trimmed back to a 1.8 rise by 3pm. The index closed 3 points lower at 987.4.

Gilts failed to capitalise on the more stable opening trend and eventually moved lower. A downturn in U.S. bonds – following the latest American retail sales figure – affected sentiment. Losses mounted to ⅝ by the close.

Chief price changes, Page 40; Details, Page 41; Share information service, Pages 44-45

AUSTRALIA

RESOURCE issues in Sydney picked up early gains on a weaker Australian dollar, but profit-taking developed, leaving the All Ordinaries index only 3.3 higher at 787.4.

Wormald International was a feature again with nearly 3m shares changing hands out of the total volume of 44m. The diversified industrial group gained a further 5 cents to A$3.55 after touching A$3.58.

Woolworths, the subject of takeover speculation for months, jumped 14 cents to A$3.35 late in the day.

Among leading metal miners, CRA moved 6 cents ahead to A$5.72, and MIM Holdings gained 4 cents to A$2.67. Elsewhere, oil and gas issues were mixed, and banks were steady.

CANADA

A WEAKER bias developed in Toronto, with the main market indicator shedding more than 5 points in the first half hour of trading.

Dofasco was most active, trading C$⅛ higher to C$26⅞, after Tuesday's announcement of a C$325m convertible preferred share offering that could add 10m common shares to the 50.7m outstanding.

Union Enterprises was C$⅛ stronger at C$11⅞ amid takeover developments, while Daon turned 30 cents cheaper to C$4.20 after a setback in first-quarter profits.

A parallel weakness developed in Montreal.

SOUTH AFRICA

THE STABILITY in the bullion price injected a measure of firmness in Johannesburg gold shares, with most issues finishing near the highs for the day.

Randfontein touched R181 but settled a net R4.50 higher at R180.50 while Buffels staged a R1.50 rally to R70.50. FS Geduld was 75 cents stronger at R42.25, and Driefontein picked up R1 to R50.

Diamond leader De Beers returned above the R9 level with its 13 cents gain to R9.03, after hitting R9.10 after its annual results.

Industrials remained steady throughout the session, with Barlow Rand pegged at R9.70.

EUROPE

High-level shift to consolidate

HIGH-LEVEL consolidation was evident on most European bourses yesterday after the previous day's strong advances, but Dutch shares continued to shine.

Good results from several companies contributed to the sustained sentiment in **Amsterdam** as the ANP-CBS General index gained 1.2 to a new high of 209.7.

Publisher VNU, which reported a 50 per cent rise in profits, put on Fl 1.20 to Fl 215.00, and AmRo, also with healthy results, added 20 cents to Fl 76.30.

Among other banks, ABN was up Fl 1 at Fl 402.50, and NMB rose Fl 1.70 to Fl 176.20. Insurer Amev added 70 cents to Fl 219.20, and Nat-Ned was Fl 1 ahead at Fl 271.

Boskalis, the construction and dredging group, was unchanged at Fl 15.50 prior to announcing the sale of two subsidiaries.

A lack of direction in bonds left the CBS Bond index off 0.1 at 102.6. The latest 8 per cent state loan was 10 basis points up at 99.5 per cent after an earlier high of 99.7 per cent.

The previous state issue also gained, rising 40 basis points to 96.9 per cent, and an 8.5 per cent 1984-88/91 loan was 30 basis points higher at 102.6 per cent, down from a high of 102.8.

Hesitation ahead of today's Bundesbank council meeting set the tone in **Frankfurt**, where prices ended mixed as traders consolidated gains from the previous day.

The Commerzbank index eased 1.8 to 1,214.3 from Tuesday's post-war record.

The motor sector was mostly higher, with Porsche gaining a relatively modest DM 5 to DM 1,380, Daimler-Benz DM 2 to DM 688 and VW DM 1 to DM 200. BMW, however, slipped DM 2 to DM 265.

Profit-taking hit Siemens after its recent strong surge to take it DM 3.50 lower to DM 570, and another electrical, Brown-Boveri, was down DM 3 at DM 214.

The banking sector also suffered, with Bayerische Vereinsbank losing DM 3.50 to DM 324 and Dresdner off DM 1 at DM 186.2, ex-rights.

Lufthansa lost DM 5 to DM 191 amid higher profits for 1984.

Bonds were firmer mostly on short-covering ahead of the Bundesbank meeting, which is expected to keep leading interest rates unchanged. The Bundesbank sold DM 31.8m worth of paper into the market against DM 45.9m sales in the previous session.

The firmer tone set in **Paris** over the past couple of days continued. Some stores remained popular, with Au Printemps hitting a year-high of FFr 216, up FFr 11. Carrefour, however, surrendered its previous FFr 30 gain to fall from a record high to FFr 1,960.

Peugeot, which announced plans to build a motor assembly plant in China, made a modest gain of FFr 7 to FFr 285.

Trading in financial and industrial issues was active in **Zurich**, but most sectors closed steady. Jacobs-Suchard, continuing unchanged at SwFr 6,250, said it planned to raise capital through a one-for-three rights issue.

Crédit Suisse was also unchanged at SwFr 2,420, with speculation that it is negotiating a takeover of the West German bank Effectenbank-Warburg AG having no impact.

Among special situation stocks, Hero gained another SwFr 75 to SwFr 4,200 on takeover speculation after rising SwFr 125 on Tuesday.

Bonds closed steady in relatively quiet trading.

Brussels edged higher in moderate trading with insurer Royal Belge recovering some of Tuesday's losses to end up BFr 150 at BFr 10,850.

In **Milan**, prices generally moved higher as investors made adjustments in advance of monthly settlements. Fiat ended unchanged at L3,000 but was active in after-bourse trading.

Moving against the trend, Rinascenti ended lower for the second straight session, losing L4 to L670.50.

A subdued mood adopted on the previous day in **Madrid** continued to keep stocks lower. Construction, electrical and chemical issues suffered, while banks recorded some advances.

U.S. interest in **Stockholm** took prices significantly higher in active trading before the close. Ericsson, which suffered on Monday when the group reported its annual profits, put on SKr 15 to SKr 285.

TOKYO

Big capital appeal fuels record gain

TAKING its cue from Tuesday's small rally, the stock market posted a hefty gain in Tokyo yesterday. Share prices rose on a broad front with buying interest centring on medium and low-priced shares, *writes Shigeo Nishiwaki of Jiji Press.*

Investors flocked to buy big-capital shipbuilders and some steel issues. They also sought stocks related to new materials, such as amorphous alloys, instead of the recently-favoured biotechnology issues.

The Nikkei-Dow market average jumped 122.39 to 12,419.26, the largest daily gain this year, exceeding the previous record rise of 117.56 on January 30. Volume swelled to 536m shares from Tuesday's 336m. Gains outnumbered declines by 501 to 253, with 163 issues unchanged.

Prominent among large-capital issues was Mitsubishi Heavy Industries, which drew strength from improved earnings forecasts, gaining Y12 to Y271. According to a Nikko Securities survey, MHI's earnings forecast for the accounting year ending this March has improved to more than Y80bn from Y65bn, and a minimum profit of Y95bn is predicted for fiscal 1986.

Ishikawajima-Harima Heavy Industries also attracted buyers, adding Y8 to Y162. In the steel sector, Nippon Steel firmed Y4 to Y156. Other large-capital gainers included Tokyo Electric Power and Kansai Electric Power which climbed Y60 to Y1,580 and Y40 to Y1,370 respectively.

MHI topped the most active list with 41.34m shares changing hands, and Nippon Steel, Ishikawajima-Harima Heavy Industries and Kawasaki Steel were also among the busiest issues.

Replacing biotechnology issues, stocks related to new materials, such as amorphous alloys, continued to attract buying interest, with Mitsubishi Steel Manufacturing rising Y17 to Y393. Unitika, second busiest with 24.91m shares, put on Y8 to Y253 and Onoda Cement Y10 to Y401.

China-related Mitsui Construction came third on the active list with 14.91m shares, rising Y12 to Y330. Nikkiso added Y56 to Y780 on good prospects for its new-type pumps.

Some financial stocks regained popularity among investors. Yasuda Trust and Banking firmed Y10 to Y670, Yasuda Fire and Marine Insurance Y34 to Y439, Nomura Securities Y20 to Y1,150 and Daiwa Securities Y36 to Y833.

The bond market performed well, reflecting the good showing on the U.S. credit market on Tuesday and speculation that the U.S. dollar had peaked against the yen. Institutional investors, such as city banks and trust banks, bought bonds in small lots of Y1bn to Y2bn, in anticipation of short-term gains.

The yield on the benchmark 7.3 per cent 10-year government bond due in December 1993 slipped to 6.825 per cent from Tuesday's 6.870 per cent.

HONG KONG

DISAPPOINTING results from leading companies triggered heavy selling pressure in Hong Kong. The Hang Seng index dropped 35.69 to 1,335.82 in heavy trading for the regular half-day session.

Following results, Hongkong Bank turned 20 cents cheaper to HK$8.55, and Hongkong Electric lost 15 cents to HK$7.15. Wheelock Marden "A" moved 10 cents higher to HK$7.45 but finished 5 cents ahead at HK$7.40, the bid price of HK Wharf, which dipped 5 cents to HK$8.30. This prompted speculation that Singapore businessman Koo Teck Puat might raise his takeover offer of HK$7 for Wheelock.

Elsewhere, Cheung Kong fell 40 cents to HK$13.20, and Hutchison Whampoa and Swire Pacific each shed 50 cents to HK$19.50 and HK$21.20. China Light was steady at HK$13.90.

SINGAPORE

STEADY selling pressure forced Singapore lower and took the Straits Times industrial index 6.71 down to 831.31.

Supreme Corp was most active and closed 3 cents off at S$1.78 while Promet, which reported a sharp contraction in 1984 profits, surrendered 3 cents to S$1.54 in heavy trading.

Other steep falls were recorded by Metro, 84 cents lower at S$3.70, while Ssangyong finished 21 cents down at S$2.38. Growth Industries Holdings turned 13 cents off at S$2.12. Falls of 5 cents were recorded for Genting at S$5.70 and Singapore Press at S$6.20.

Hotels, properties and commodities eased in line with the general trend.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/ E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
23½	16⅛	AAR	.48	2.4	16	25	20	19¾	20	+⅛
22	9⅜	AGS			11	96	14½	14¼	14¼	-¼
18⅛	11	AMCA				35	11¼	11¼	11¼	
17⅞	13¼	AMF	.50	3.0	38	207	17	16¾	16⅞	-⅛
43¼	24¼	AMR			9	2537	41	39¾	40	-1
20⅜	18¼	AMR pf	2.18	11.		13	20	19⅞	20	+⅛
25⅞	22⅞	ANR pf	2.67	11.		6	25½	25¼	25¼	
23	19	ANR pf	2.12	10.		2	21	21	21	-½
14¼	8½	APL			3	7	10½	10½	10½	
67¼	44⅜	ASA	2	4.1		633	49½	48	48½	+⅜
27	16	AVX	.32	1.6	12	263	21½	20½	20½	-1¼
50⅛	36¾	AbtLab	1.40	2.8	15	1434	50	49⅜	49⅜	-¾
25⅞	16½	AccoWds	.44	1.9	18	149	23¾	23⅜	23⅜	-½
22½	12½	AcmeC	.40	2.5		70	16¼	15½	15¾	-½
10¾	8¼	AcmeE	.32b	3.3	12	2	9¾	9⅝	9¾	
17⅜	15	AdaEx	2.11e	13.		137	16¾	16½	16½	-¼
20	11⅞	AdmMl	.32	1.9	7	138	16⅞	16¼	16½	-⅛
19½	8⅝	AdvSys	.81t	6.9	19	20	11⅞	11¾	11¾	+⅛
41⅛	25⅛	AMD			13	6897	32¾	31	31	-1½
12¾	6⅞	Advest	.12	1.1		133	10⅞	10⅝	10⅝	-⅛
14⅝	8¾	Aerflex			13	101	13⅜	12⅞	13	-½
42⅝	27¼	AetnLf	2.64	6.6	39	1754	41	40⅛	40⅛	-⅞
58¾	52⅜	AetL pf	5.83e	11.		43	54¾	54¼	54¼	-¼
32⅛	15¾	Ahmns	1.20	4.0	17	1375	30¾	29⅞	30	-1
4½	2⅝	Aileen			21	11	2⅞	2¾	2¾	-⅛
51	38⅝	AirPrd	1.20	2.4	11	73	49¼	49	49	
24⅜	13	AirbFrt	.60	2.7	12	5	22¼	22¼	22¼	+⅛
2	⅞	AlMoa s			21	363	1⅝	1½	1½	-⅛
27⅛	21	AlaP pf	2.94e	12.		2	25	25	25	-1⅛
32	26¾	AlaP pf	A3.92	13.		13	30½	30½	30½	-¼
7½	6	AlaP dp	.87	12.		17	7¼	7¼	7¼	-⅛
73½	61½	AlaP pf	9	13.		z450	70	69¼	69¼	-¾
79⅛	63½	AlaP pf	9.44	13.		z50	74½	74½	74½	-1½
13⅝	11	Alagsc s	.92	7.1	12	19	12⅞	12¾	12⅞	+⅛
19¾	9¼	AlskAir	.14	.8	9	143	18⅝	18½	18⅝	+⅛
16¼	10½	Albrto s	.38	2.9	16	11	13¼	13	13	-¼
31¼	22½	Albtsns	.76	2.5	13	1807	30⅝	30⅛	30⅝	
35¾	23½	Alcan	1.20	4.4	11	1461	27½	27	27¼	
38⅛	27⅛	AlcoStd	1.20	3.5	12	237	34½	33⅝	34½	+½
31½	17	AlexAlx	1	3.3		427	30⅞	30⅝	30⅝	-⅛
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

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Continued on Page 40

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 38

[illegible]

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
18½	10¾	WylaLb	.32	2.5	10	32	13½	13	13	−½
21⅞	16¾	Wynns	.60	2.7	8	52	21⅞	21½	21⅞	+⅛
		X Y Z								
48¼	33¼	Xerox	3	7.0	17	4518	43½	43	43	−⅞
51⅜	45¼	Xerox pf5.45		11.		529	49⅝	49¼	49⅜	
30	24	ZaleCp	1.32	4.5	9	7	29⅛	29⅛	29⅛	
24⅞	13⅜	Zapata	.84	6.1	16	229	13⅞	13⅝	13¾	
58	30	Zayre	.40b	.7	14	473	54½	54	54	−½
31¼	18⅛	ZenithE			7	1404	22	21¼	21½	−½
21⅞	14⅜	Zero s			19	12	20¼	20	20	
31⅜	21⅛	Zurnin	1.32	4.6	11	270	29½	29	29	−⅜

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

AUSTRIA

Mar. 13	Price Sch.%	+ or −
Creditanstalt	239	..
Goesse	467	−3
Interunfall	500	−5
Laenderbank	239	..
Perlmooser	419	−7
Steyr-Daimler	175	−1
Veitscher Mag	380	−7

BELGIUM/LUXEMBOURG

Mar. 13	Price Frs.	+ or −
B.B.L.	1,890	+20
Banq. Int. A. Lux	6,050	......
Bekaert B	5,940	+20
Ciment CBR	2,695	−5
Cockerill	276	−4
Delhaize	8,000	......
EBES	3,050	..
Electrobel	8,650	+50
Fabrique Nat	2,150	+20
GB Inno BM	3,460	+80
GBL (Brux)	2,165	+10
Gevaert	4,270	+15
Hoboken	6,910	−40
Intercom	2,290	−10
Kredietbank	8,400	+90
Pan Hldgs	11,500	.....
Petrofina	7,050	−50
Royale Belge	10,850	+150
Soc. Gen. Banq	3,440	−10
Soc. Gen. Belge	2,025	......
Sofina	8,010	...
Solvay	4,420	+25
Stanwick Intl.	1,560	+10
Tractionel	4,340	−10
UCB	5,310	...
Wagon Lits	2,700	+20

DENMARK

Mar. 13	Price Knr %	+ or −
Andelsbanken	288	−8
Baltic Skand	620	−15
CopHandelsbank	285	−4
D. Sukkerfab	535	−5
Danske Bank	277	−4
De Danske Luft	1,245	...
East Asiatic	164	−5
Forenede Brygg.	850	+15
Forenede Damp.	93	−1
GNT Hldg	424	......
I.S.S.B.	390	...
Jyske Bank	535	−15
Novo Ind.	1,560	+5
Privatbanken	240	−4
Provinsbanken	300	−15
Smidth (F)	222	+1
Sophus Berend	964	−5
Superfos	480	−7

FRANCE

Mar. 13	Price Frs.	+ or −
Emprunt 4½% 1973	1645	+2
Emprunt 7% 1973	7,650	+20
Accor	276.5	−0.3
Air Liquide	630	+6
BIC	556	−7
Bongrain	1,880	+75
Bouygues	638	−1
BSN Gervais	2,370	−21
CIT-Alcatel	1,246	−19
Carrefour	1,960	−30
Club Mediter'n	1,235	−8
Cie Bancaire	600	+5
Cofimeg	267	+1
Damart	2,261	−24
Darty	1,267	...
Dumez S.A.	601	−3
Eaux (Cie Gen.)	574	+19
Elf-Aquitane	247.9	+2.9
Essilor	2,970	+40
Gen. Occidentale	770	−9
Imetal	93.9	+2.1
Lafarge Coppee	437	+1
L'Oreal	2,434	
Legrand	2,200	+30
Maisons Phenix	225.9	.....
Matra S.A.	1,600	−40
Michelin B.	920	−5
Midi (Cie)	2,234	......
Moet-Hennessy	1,970	−15
Moulinex	114.4	+2.9
Nord Est.	81.8	+0.8
Pernod Ricard	711	..
Perrier	538	−2
Petroles Fra.	277.9	+2.1
Peugeot S.A.	285	−7
Printemp.Aus.	216	+11
Radiotech	271.1	+1.1
Redote	1,301	+20
Roussel-Uclaf	1,675	+8
Selimeg	324	+2
SkisRossignol	2 033	−2
Telemech Elect.	2 419	+9
Thomson CSF.	496	−4
Valeo	230.1	+0.1

GERMANY

Mar. 13	Price Dm.	+ or −
AEG-Telef.	109.5	−1
Allianz Vers	1054xr	+3
BASF	212	−1.8
Bayer	221.5	−2
Bayer-Hypo	321	+2
Bayer-Verein	324	−3.5
BHF-Bank	265	−2
BMW	384.5	−1
Brown Boveri	214	−3
Commerzbank	166	+1
Cont'l. Gummi	136	+1.5
Daimler-Benz	688	−2
Degussa	353	−2
D'sche Babcock	167.5	+1.5
Deutsche Bank	423.5	−0.5
Dresdner Bank	186.2xr	−1
GHH	154.5	+0.5
Hochtief	460	−3
Hoechst	213.3	−0.1
Hoesch Werke	113.7	−0.3
Holzmann (P)	402	+2
Horten	169	−3
Hussel	240	−0.5
Karstadt	212	−1
Kaufhof	215.8	+0.8
KHD	261.5xr	+0.5
Kloeckner	81	.....
Linde	417.5	−1.5
Lufthansa	195	−5
MAN	156.5	−0.5
Mannesmann	157.5	−0.3
Mercedes Hld	603.5	−0.5
Metallgesell	261	+12.1
Muench Rueck	1152	−38
Nixdorf	556.5	+11.5
Porsche	1380	+5
Preussag	273.5	+3.5
Rhein West Elect	151	−1
Rosenthal	237	−1
Schering	466	−3
Siemens	570	−3.5
Thyssen	103.3	−0.2
Varta	181	−2.5
Veba	176.5	+2
V.E.W.	121.5	−0.2
Verein-West	313	+1
Volkswagen	200	+1

ITALY

Mar. 13	Price Lira	+ or −
Banca Com'le	18,020	−190
Bastogi-IRBS	194	+0.3
B. I.-Invest.	3,585	−15
Centrale	3,370	+55
Credito Varesino	4,201	......
Fiat	3,000	.....
Finsider	82.5	−1.2
Generali Assicur.	40,750	+400
Italcementi	84,360	−140
La Rinascenti	670.5	−4
Montedison	1,489	+22
Olivetti	5,786	+26
Pirelli Co.	4,375	.....
Pirelli Spa	2,261	+30
Snia BPD	2,969	+44
Toro Assic.	14,910	+110
do. Pref.	11,291	+231

NETHERLANDS

Mar. 13	Price Fls	+ or −
ACF Holding	200	+1
AEGON	185.5	−1.5
Ahold	229.5	−1.5
AKZO	114.8	−0.6
ABN	402.5	+1
AMEV	219.2	+0.7
AMRO	76.3	+0.2
Bredero Cert.	153.5	−1
Bos Kalis Westm.	15.5	......
Buehrmann-Tet.	89	−1
Calland Hldgs.	37.9	+0.1
Dordtsche Pet'm	181	......
Elsevier-NDU	115.5	+0.5
Fokker	101	+0.7
Gist Brocades	186.5	.....
Heineken	157.1	−0.6
Hoogovens	63.4	+0.4
Int Mueller	50	+2
KLM	62.4	.....
Naarden	49	+0.3
Nat Ned Cert.	271	+1
Ned M d Bank	176.2	+1.7
Nedlloyd	177.8	−1.1
Oce Grinten	314	−1.5
Ommeren (Van)	30.7	+1.2
Pakhoed	69	+1.7
Philips	63	−0.1
Robeco	76.9	+0.9
Rodamco	139.6	+0.5
Rolinco	69.6	+0.8
Rorento	44.1	......
Royal Dutch	206	−1.6
Unilever	353	+0.5
VMF Stork	147	......
VNU	215	+1.2
West Utr Bank	106	......

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

NORWAY

Mar. 13	Price Kroner	+ or −
Bergens Bank	134	−27.5
Borregaard	390	−5
Christiania Bank	143	......
DenNorske Cred	164	−1
Elkem	154	−1
Kvaerner	190	......
Norsk Data	420	+1
Norsk Hydro	107	−0.5
Storebrand	242	+2.5

SPAIN

Mar. 13	Price Pta%	+ or −
Bco Bilbao	340	......
Bco Central	313	......
Bco Exterior	203	−3
Bco Hispano	160	−1
Bco Popular	382	+6
Bco Santander	350	+1
Dragados	176	−3.5
Hidrola	82.5	−1.8
Iberduero	93.5	−1.2
Petroleos	151.5	−2.7
Telefonica	125	−1

SWEDEN

Mar. 13	Price Kronor	+ or −
AGA	383	......
Alfa-Laval	193	+3
ASEA (Free)	310	......
Astra (Free)	330	−30
Atlas Copco	108	+2
Cardo (Free)	250	−1
Cellulosa	183	......
Electrolux B	329	+3
Ericsson	285	+15
Esselte	370	......
Mo Och Domsjo	230	+3
Pharmacia	212	+29
Saab Scania Free	440	+20
Sandvik	410	......
Skandia	298	+1
Skan Enski'da	51.5	......
SKF	215	+4
St Kopparberga	137	......
Sven Handlesbn.	170	+2
Swedish Match	230	+2
Volvo B (Free)	299	+6

SWITZERLAND

Mar. 13	Price Frs.	+ or −
Alusuisse	902	+8
Bank Leu	3,575	−25
Brown Boveri	1,695	−5
Ciba Geigy	3,100	+40
do. (Part Certs)	2,485	+35
Credit Suisse	2,430	......
Elektrowatt	2,780	+35
Fischer (Geo.)	760	+5
Hoff-RochePtCts	89,625	+625
Hoff-Roche 1/10	8,975	+75
Jacobs Suchard	6,250	......
Jelmoli	1,915	+15
Landis & Gyr	1,650	......
Nestle	6,570	+30
Oer-Buehrle	1,495	+10
Pirelli	305	−2
Sandoz (Br)	7,950	−75
Sandoz (PtCts)	1,410	+10
Schindler (PtCts)	790	+5
Sika	1,110	......
Surveillance	4,250	+35
Swissair	1,155	−5
Swiss Bank	368	......
Swiss Reinsce	9,500	+50
Swiss Volksbk	1,480	......
Union Bank	3,635	+5
Winterthur	3,780	+20
Zurich Ins	20,400	−200

AUSTRALIA

Mar. 13	Price Aust $	+ or −
ANZ Group	4.32	......
Alliance Oil Dev.	1.05	......
Ampol Pet	1.83	......
Ashton	0.91	−0.02
Aust Cons Ind.	1.94	+0.03
Aust. Guarantee	2.45	+0.07
Aust. Nat. Inds	2.54	+0.01
Aust. Paper	2.48	......
Bell Group	6.50	+0.08
Bell Res	5.74	+0.08
Bond Corp Hldgs	1.50	+0.02
Boral	3.32	−0.02
Bougainville	1.88	+0.01
Brambles Inds	3.61	+0.01
Bridge Oil	2.15	......
B.H. Prop	5.62	−0.06
CRA	5.72	+0.08
CSR	2.71	......
Castlemaine Tys.	4.72	−0.03
Coles (G.J.)	3.7	+0.06
Comalco "A"	2.5	......
Consolidated Pet	0.45	......
Costain Aust	1.6	......
Dunlop Olympic	2.18	+0.01
Elders IXL	5.19	−0.01
Energ Res.	1.43	−0.02

AUSTRALIA (continued)

Mar. 13	Price Aust. $	+ or −
Gen Prop Trust	2.16	+0.01
Hardie (James)	3.19	+0.15
Hartogen Energy	2.15	−0.05
Herald W'yTimes	3.98	+0.07
ICI Aust.	1.9	+0.04
Jimberlana F.P.	0.26	+0.01
Kia Ora Gold	0.12	......
Lend Lease	5.9	+0.1
MIM	2.67	+0.04
Mayne Nickless	3.18	......
Myer Emporium	1.75	+0.05
Nat. Aust. Bank	3.46	−0.01
News	15.3	......
Nicholas Kiwi	2.05	......
North Bkn Hill	2.23	−0.02
Oakbridge	0.76	+0.01
Pancont'l	1.5	+0.02
Pioneer Conc	1.61	+0.01
Poseidon	3	......
Queensland Coal	1.39	−0.01
Reckitt & Coln	3.42	+0.02
Repco	1.19	+0.02
Santos	5.28	−0.02
Smith (Howard)	3.8	−0.05
Thos. Natwide	1.85	......
Tooth	5.8	......
Vamgas	3.20	......
Western Mining	3.52	+0.04
Westpac Bank	3.34	......
Woodside Petrol	0.8	+0.02
Woolworths	3.35	+0.14
Wormald Intl	3.55	+0.05

HONG KONG

Mar. 13	Price H.K.$	+ or −
Bank East Asia	23	......
Cheung Kong	13.2	−0.4
China Light	13.9	......
Evergo	1.42	......
Hang Seng Bank	46.25	−0.50
HK Electric	7.15	−0.15
HK Kowloon Wh.	5.25	−0.05
HK Land	4.5	−0.3
HK Shanghai Bk.	8.55	−0.2
HK Telephone	68.5	−1.0
Hutchison Wpa.	19.5	−0.5
Jardine Math.	8.65	−0.55
New World Dev.	5.75	−0.05
Orient O'seas	2.32	......
Oseas Trust Bk.	2.65	−0.07
SHK Props	8.7	−0.25
Shell Elect.	1.75	......
Swire Pac A	21.2	−0.5
TV—B	5.8	−0.2
Wheel'k Mard A.	7.4	+0.05
Wheel'k M'time	1.10	......
World Int. Hldgs.	1.85	−0.02

JAPAN

Mar. 13	Price Yen	+ or −
Ajinomoto	1,070	+20
Alps Electric	2,330	+10
Amada	1,210	+40
Asahi Chem.	800	+10
Asahi Glass	890	+7
Bridgestone	505	−10
Canon	1,450	+20
Casio Comp.	1,940	......
Chugai Pharm.	1,050	+10
Citizen	564	−5
Daiei	619	−1
Dai Nippon Ptg	1,030	......
Daiwa House	541	−9
Ebara	404	+18
Eisai	1,990	+70
Fanuc	13,400	+300
Fuji Bank	1,620	+10
Fuji Film	1,850	......
Fujisawa	1,100	+20
Fujitsu	1,340	+30
Green Cross	5,140	+120
Hasegawa	378	+17
Heiwa Real Est.	587	+2
Hitachi	878	+15
Hitachi Credit	1,060	+10
Honda	1,480	+70
House Food	690	−5
Hoya	2,290	−10
Itoh (C)	332	+8
Ito. Yokado	2,380	−20
Iwatsu	1,060	−20
JACCS	320	......
JAL	5,090	+50
Jusco	670	−13
Kajima	280	+2
Kao Soap	825	......
Kashiyama	590	+4
Kirin	690	+7
Kokuyo	893	−2
Komatsu	441	+3
Konishiroku	676	+1
Kubota	322	+2
Kumagai	590	+8
Kyoto Ceramic	6,150	......
Maeda Const.	492	+2
Makino Milling	1,300	......
Makita	1,140	+20
Marubeni	302	......
Marudai	550	......
Marui	958	+6
MEI	1,640	+20
M'ta Elec Works	740	+15
M'bishi Bank	1,580	......
M'bishi	512	−3
M'bishi Elec	392	+4
M'bishi Estate	575	+12

JAPAN (continued)

Mar. 13	Price Yen	+ or −
MHI	271	+12
Mitsui Co	333	−1
Mitsui Estate	650	+22
Mitsukoshi	435	+3
NGK Insulators	1,010	+10
Nihon Cement	236	+6
Nippon Denso	1,450	+10
Nippon Elect	1,180	+30
Nippon Express	348	+3
Nippon Gakki	2,130	+30
Nippon Kokan	139	+2
Nippon Oil	840	+10
Nippon Seiko	659	+9
Nippon Shimpan	525	......
Nippon Steel	156	+4
Nippon Suisan	343	+5
NTV	10,600	+100
Nippon Yusen	243	......
Nissan Motor	640	+20
Nisshin Flour	460	+8
Nisshin Steel	176	+6
Nomura	1,150	+20
Olympus	1,290	+10
Orient Leasing	3,000	−160
Pioneer	2,870	−30
Renown	620	+4
Ricoh	900	−2
Sankyo	1,280	+50
Sanyo Elect.	494	+4
Sapporo	415	+9
Sekisui Prefab	560	+5
Seven-Eleven	8,600	−200
Sharp	1,080	−10
Shimadzu	826	−2
Shionogi	725	+7
Shiseido	1,100	+60
Sony	4,730	+30
Stanley	1,040	+10
S'tomo Bank	1,760	+10
S'tomo Elect.	930	+12
S'tomo Marine	635	+32
S'tomo Metal	157	+5
Taihei Dengyo	489	−1
Taisei Corp	205	−3
Taisho Pharm.	1,100	−10
Takeda	840	−6
TDK	6,240	+30
Teijin	438	+7
Teikoku	645	......
Tokyo Marine	847	+30
TBS	765	−5
Tokyo Elect Pwr	1,580	+60
Tokyo Gas	165	+1
Tokyo Sanyo	718	−2
Tokyo Style	700	−5
Tokyu Corp	314	......
Toppan Print	863	−1
Toray	446	+4
Toshiba Elect.	420	+9
TOTO	640	+5
Toyo Seikan	860	......
Toyota Motor	1,340	−20
Victor	2,260	......
Wacoal	703	−2
Yamaha	790	−10
Yamanouchi	3,800	+30
Yamazaki	627	......
Yasuda Fire	439	+34
Yokogawa Bdge.	410	......

SINGAPORE

Mar. 13	Price $	+ or −
Boustead Hldgs.	1.75	−0.01
Cold Storage	2.68	−0.05
DBS	6.10	......
Genting	5.7	−0.05
Haw Par. Bros.	2.35	−0.07
Hong Leong Fin.	3.18	......
Inchcape Bhd.	2.41	−0.09
Keppel Shipyard	1.68	−0.05
Malay Banking	6.3	......
Malay Utd. Ind.	2.48	......
Multi Purpose	1.0	......
OCBC	9.45	......
OUB	3.84	−0.06
Public Bank	1.65	......
Sime Darby	1.94	−0.06
Singapore Press	6.2	−0.05
Straits Trdg.	4.46	−0.02
Tat Lee Bk.	2.77	−0.03
UOB	4.44	−0.02

SOUTH AFRICA

Mar. 13	Price Rand	+ or −
Abercom	1.80	−0.02
AE&CI	6.60	+0.05
Allied Tech	46	......
Anglo Am Coal	41.50	+0.25
Anglo Am Corp	22.6	......
Anglo Am Gold	162	+2
Barclays Bank	14.25	......
Barlow Rand	9.7	......
Buffels	70.5	+1.5
CNA Gallo	2.30	......
Currie Finance	3.5	......
De Beers	9.03	+0.15
Driefontein	60	+1
FS Geduld	48.25	+0.75
Gold Fields SA	29.85	......
Highveld Steel	2.85	−0.75
Nedbank	8.77	+0.03
OK Bazaars	12.75	......
Protea Hldgs	1.2	......
Rembrandt	31.5	......
Rust Plat	14.9	−0.1
Safren	12.5	......
Sage Hldgs	6.50	−0.05
SA Brews	5.9	−0.1
Smith (CG)	20	......
Tongaat Hulett	5.40	......
Unisec	4.60	+0.05

CANADA

TORONTO

Prices at 2.30pm
March 13

Sales	Stock	High	Low	Close	Chng
1600	Conventrs	$5¼	5¼	5¼	
7100	Coseka R	279	275	275	
100	Canron A	$11⅞	11⅞	11⅞	−⅛
263	Crownx	$18⅜	18⅜	18⅜	
2200	Czar Res	150	150	150	
5810	Labatt	$23¾	23½	23½	−¼
9674	Lac Mnrls	$27	26⅝	26⅝	+⅛
100	LOnt Cem	$11⅝	11⅝	11⅝	−⅛
600	Lacana	$11½	11¼	11½	+⅛
1022	LL Lac	$28¾	28¾	28¾	
1500	Talcorp	90	90	90	−1
250	Teck Cor	$11⅜	11⅜	11⅜	−⅛
38897	Teck B f	$11⅛	11	11	−⅛
3950	Tex Can	$32¼	31⅜	31¾	−½
910	Thom N A	$56⅛	56	56⅛	−⅝

MONTREAL

Closing prices March 12

OVER-THE-COUNTER

Nasdaq national market, 2.30pm prices

LONDON

Chief price changes
(in pence unless otherwise indicated)

RISES		
Assoc. Fish	108	+7
Brown (Mat)	303	+8
Chapman Inds.	278	+10
Comm. Union	194	+4
Delyn Packag	118	+10
Dunhill	315	+22
Falcon Res	460	+10
Goal Petroleum	124	+8
Hepworth (J)	184	+8
IC Gas	330	+10
Lawtex	75	+13
Low & Bonar	375	+12
Menzies (J)	235	+8
NSS Newsag.	116	+6
Pearson	683	+28
Royal B of Scot.	284	+8
Smith (WH) A	230	+10
FALLS		
Ex 11% '90 (£20pd.)	£19⅝	−⅝
Conv. 10% 2002	£92½	−⅝
BP	525	−10
Britoil	208	−9
Rowntree Mac	390	−8
Shell Trans	777	−8
Tricentrol	210	−10
Utd. Bis	188	−4

Continued on Page 42

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 39

LONDON STOCK EXCHANGE

MARKET REPORT

More stable trend gives way after late news of break-up of BNOC

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
Feb 25	Mar 7	Mar 8	Mar 18
Mar 11	Mar 21	Mar 22	Apr 1
Mar 25	Apr 11	Apr 12	Apr 22

* "New-time" dealings may take place from 9.30 am two business days earlier.

Late-afternoon speculation concerning the *break-up* of the British National Oil Corporation brought sudden weakness to oil stocks and generally unsettled London financial markets yesterday. *Prior* to the announcement, stock markets had been quieter in terms of overall activity although a constant stream of company trading statements and bid announcements had encouraged a selective interest.

The belief that lower bank lending rates had been postponed owing to last month's rise in sterling M3 was the main deterrent to investment. Other influences were the likelihood of a rise in building society mortgage rates next week, and concern over the increasing demands being made on the market for cash; United Biscuits made a call for some £98m yesterday.

Reflecting these factors, leading shares opened a shade easier but recovered slowly from noon onwards in the absence of selling pressure. Sterling's steadier trend was comforting and top-quality stocks later edged higher before slipping again in the late trade. The FT Ordinary share index captured these events, opening 3.7 lower and standing a net 1.8 up at 3 pm before closing 3 points down on the day at 987.4.

Government securities failed to capitalise on a more stable opening trend and eventually moved lower. Sentiment was affected more by a downturn in U.S. bonds—this following the latest American retail sales figure—than the ruling out of an immediate reduction in base lending rates. A late rally in sterling brought forth little response and selected Gilts closed as much as ¾ down on balance.

RBS at new peak

Royal Bank of Scotland, a rising market of late behind rumours of a stake build-up, advanced 8 further to close at a 1984/85 high of 284p; the movement yesterday was accompanied by revived speculation concerning Lloyds' substantial stake in the company. **Standard Chartered**, however, *dropped to 463p* initially following adverse comment on its South African operations before rallying late to finish at 475p, still 5 lower on balance. **Hong Kong and Shanghai** cheapened 2 to 99p on further consideration of the results. The major clearers passed a quietly firm session. **NatWest** put on 5 to 625p as did **Lloyds** to 565p.

Bullish reports emanating from a brokers' lunch with the company helped **Commercial Union** touch 199p before closing 4 up at 194p; *last* week the group disclosed a £72.8m loss for the year. Elsewhere in a quiet Insurance sector, **Refuge** edged forward a couple of pence to 330p in response to the satisfactory results.

Estate agents **Mann & Co** staged a highly successful market debut; *the shares*, oversubscribed approximately five times opened at 161p and settled at 160p compared with a striking price of 145p after an active two-way business. Among other recently-issued equities, USM-quoted **Mayhew** attracted buyers and rose 7 to 130p in a restricted market.

The proximity of the Budget again failed to hinder support of leading Breweries, which although often below best levels, still managed *some noteworthy* gains. **Bass** improved 5 for a two-day advance of 18 at 535p, after 539p, while renewed speculative interest lifted **Scottish and** *Newcastle* 3 *to 144p*, after 146p. Regionals again highlighted Blackburn-based **Matthew Brown**, 8 dearer at 303p. Wines and Spirits behaved similarly with **Distillers** another 5 to the good for a two-day improvement of 12 at 298p. **Invergordon** rose 5 to 132p following the better-than-expected full-year profits, while further consideration of the 8-month figures, together with a "buy" recommendation from brokers de Zoete and Bevan, *lifted* **Matthew Clark** 5 more to 515p.

Housebuilders **Barratt Developments** remained a nervous market ahead of next Tuesday's interim figures and slipped a couple of pence to 68p. **George Wimpey** also came on offer and shed 3 to 98p. Elsewhere in the *Building sector*, **Rugby Portland Cement**, a firm counter since news of a cement price increase, encountered profit-taking and lost 3 to 127p. **Blue Circle** softened a couple of pence to 510p. One or two of the sector's recent speculative favourites continued to attract buyers, **Ward Holdings** again figured prominently and rose 10 more to 178p. **A. Monk** firmed 3 for a two-day gain of 11 to 119p, while **Leyland Paint** added 1½ to 38½p.

ICI, a subdued market in recent days, gave a brighter performance and moved up to 812p before easing back on the BNOC news to close unchanged at 806p. Among other Chemicals, **Yorkshire** encountered profit-taking in the wake of the annual results and shed 4 to 83, but buyers returned for **Arrow**, 3 dearer at 63p and **Coates Brothers A**, 4 better at 144p. Elsewhere, **Amersham International** improved 3 to 350p.

W. H. Smith wanted

Newsagents came into their own on speculation concerning imminent developments in **W. H. Smith**. Strongly supported of late on talk that brewing group, **Arthur Guinness**, had built up a stake in the company, W.H.S. moved up sharply to touch 228p, before closing 10 better on balance at 220p, amid convictions that a bid was on the cards. **Guinness**, which last year *acquired* **Martin** *the Newsagent*, closed 3 better at 256p, after 258p. Other companies in a similar line of business as WHS rose in sympathy. **NSS Newsagents** put on 6 to 116p, after 120p, while **John Menzies** added 8 at 235p, after 238p. Elsewhere in Stores, **Foster Bros**, already in receipt of a bid from Ward White, received a counter offer from Sears and closed 4 lower at 224p, which compares with Sears' recommended share-exchange offer of around 216p per share; the latter hardened a fraction to 87p. **J. Hepworth** put on 6 to 184p in response to Press comment, while improvements of 6 and 7 *respectively were seen* in **Steinberg**, 76p, and **Stead and Simpson "A,"** 76p. **Dunhill** jumped 22 to 315p on further consideration of the £6.4m *acquisition of Chloe*, a French fragrance and fashion goods company. Leading retailers closed on an *irregular* note after a lively trade. **House of Fraser** softened a couple of pence to 390p awaiting the Office of Fair Trading's report on the Al-Fayed Investment and Trust's 400p per share bid.

Leading Electricals held steady with the exception of **Thorn EMI**, which fell 10 more to 420p. Elsewhere, **Telemetrix** moved up 10 to 400p on the increased interim dividend and profits, while **Process Systems** continued to reflect satisfaction with its half-year results, rising 4 more to 94p. Occasional offerings left **BSR** down 8 at 130p and **Crystalate** 4 cheaper at 188p.

Much of the day's interest in Engineerings centred on **GKN** which fell to 210p, despite preliminary figures in line with market expectations, before recovering strongly to close 4 up on the day at 224p. Among other leaders, **TI** continued to drift lower awaiting today's annual statement and ended 4 down at *220p. Activity in secondary* issues tended to fade, although interest revived in **Davies and Metcalfe A**, 4 to the good at 62p.

The £98m rights issue proposal, which accompanied the annual results, left **United Biscuits** 4 lower at 188p and rather unsettled other major Food *manufacturers*. **Rowntree Mackintosh**, preliminary statement due today, settled 8 off at 390p, while recently-firm **Ranks Hovis McDougall** came back 4 to 146p. Elsewhere, **Bejam** touched 160p on better-than-expected interim profits before profit-taking left the close a penny down on balance at 156p. On the other hand, **Associated Fisheries** attracted speculative demand and gained 7 to 108p. USM-quoted **Bensons Crisps** fell 5 to 40p following details of a £1.8m re-financing package, while **Freshbake** *shed* 2 to 98p after warning about current year trading.

Stakis firmed 2 to 184p on the agreed £5.1m cash purchase of 51 off-licences from Dee Corporation.

Lawtex good

Leading miscellaneous industrial closed with small mixed movements after a rather slow trading session. **BTR** edged up further to 707p before settling a couple of pence firmer at 704 for a rise of 62 since the agreed merger with Dunlop. Elsewhere, **Lawtex** responded to good interim figures with a rise of 13 at 75p, while **Fletcher Chalenge**, also reflecting half-year results advanced 8 to 143p. News of the revised agreed offer from Harrisons and Crossfield left **Pauls** 3 firmer at 368p. Renewed demand lifted **Pearson** 28 to 693p, while **De la Rue** also encountered support and touched 870p before settling 15 higher on the day at 855p. **Hawtal Whiting** responded afresh to the preliminary statement with a rise of 5 to 365p, details of the proposed sale of Government shares in the company and the intended rights issue left **British Aerospace** 7 down at 368p. **Courtney Pope** edged up 5 more *to 295p and* **Morgan Crucible** continued to make headway, closing a like amount dearer at 210p. **Wolseley-Hughes** were 5 better at 320p following satisfactory *interim results*. **Blundell Permoglaze**, in contrast, gave up 5 at 132p, after the chairman's none-too-encouraging statement on the trading outlook.

Lex Service closed 12 higher at 209p following revived investment demand, while **Lucas Industries** gained 5 to 279p. **Lotus Car**, on the other hand, succumbed to further profit-taking and closed 5 off at 98p.

William Collins featured an otherwise subdued session in Publishers, rising 10 to 730p with the A shares 5 up at 547p on further consideration of the preliminary figures. Elsewhere, fresh speculative support *prompted gains of 10 in* **Delyn Packaging**, 118p, **Chapman Industries**, 278p, and **Carlton Communications**, 660p.

First-time dealings in estate agents **Mann & Co** dominated proceedings on the Property pitches and the leaders were virtually ignored. A few significant movements appeared among secondary issues once the initial excitement in Mann subsided. **Tops Estates** stood out with a gain of 6 at 141p; the 7¼ per cent Convertible moved up 7 to 156p. **Trust of Property** also attracted demand in a restricted market and added 3 to 41p. **Warner Estate** rose 10 to 600p and **Mountleigh** firmed 5 to 290p.

Tobaccos drifted lower for want of support. **Imps** easing 3 to 186p.

Edinburgh Fund Managers *rose 10 to 285p following a* broker's recommendation in the wake of the annual results. **Baltic** advanced a similar amount to 247p, while **Bonusbond** *hardened a couple of pence to* 30p on annual figures.

Oils react

The Government's decision to scrap the British National Oil Corporation prompted some nervous selling and a defensive mark-down of leading Oil shares. However, some managed to edge off the bottom as the news was digested. **British Petroleum** closed 10 down at 525p, while **Shell**, annual results due today, settled 8 off at 777p, after 775p. **Britoil** fell 9 to 208p, after 205p, and **LASMO** weakened 13 to 332p. **Enterprise** slipped 3 to 200p, while **Tricentrol**, a firm counter in recent days on hopes of a bid from the former gave up 10 to 210p. **Ultramar** managed to buck the trend, closing a couple of pence dearer at 210p, after 215p, following annual profits broadly in line with market estimates. Buying in a *market short of stock lifted* **IC Gas** 10 to a 1984/5 peak of 330p. Elsewhere, **Falcon Resources** continued to attract buyers and moved up to 473p prior to *closing a net 10 higher at 460p.* **Goal** gained 8 to 124p on bid hopes, while **Invent Energy** continued its spectacular run, up ½ more at £10¼.

Golds mark time

Mining markets continued to mark time in thin trading with the recovery in the bullion price, finally $5.50 higher at $293.50 an ounce, having little effect on sentiment. Investors paid scant attention to strong rumours that next Monday's South African Budget could see an increase in the surcharge on tax paid by gold and diamond mines.

South African Golds, a shade easier at the outset as the weaker Rand rate against the dollar prompted small Johannesburg selling, later rallied on sporadic Continental support which eradicated initial losses. The FT Gold Mines index consequently posted its third successive rise, closing at 2.4 up at 484.1.

Increased activity overnight in Sydney and Melbourne, helped by the relative strength of overseas markets, encouraged a firmer tone among leading Australian resource stocks. *MIM Holdings advanced 5 to* 172p, while similar gains were noted in **Western Mining**, 224p, and **CRA**, 366p.

The generally subdued tone of *London* equities yesterday precluded activity in Traded Options. Total contracts struck amounted to only 5,901 — well short of recent volume. **British Telecom** were again lively, however, and recorded 952 calls and 316 puts; the May 130's remained popular accounting for 266 calls and 214 puts.

FINANCIAL TIMES STOCK INDICES

	Mar. 13	Mar. 12	Mar. 11	Mar. 8	Mar. 7	Mar. 6	year ago
Government Secs.	80.15	80.41	80.66	80.30	80.09	80.02	83.45
Fixed Interest	83.97	85.80	83.65	83.60	83.59	83.49	87.48
Ordinary	987.4	990.4	989.2	988.1	987.6	990.4	864.6
Gold Mines	484.1	481.7	476.6	474.9	481.0	467.8	703.1
Ord. Div. Yield	4.56	4.55	4.55	4.53	4.53	4.46	4.27
Earnings, Yld.% (full)	11.33	11.31	11.30	11.26	11.18	11.00	9.17
P/E Ratio (net) (*)	10.75	10.75	10.75	10.80	10.91	11.10	13.20
Total bargains (Est.)	26,804	27,259	28,834	26,646	25,320	24,568	24,393
Equity turnover £m.	—	374.93	594.74	526.31	474.91	433.03	209.57
Equity bargains	—	24,659	25,667	27,470	24,028	21,971	25,666
Shares traded (ml)	—	214.4	291.2	269.9	247.2	193.1	255.3

10 am 988.7. 11 am 987.2. Noon 988.1. 1 pm 991.7. 2 pm 992.2. 3 pm 992.2.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ordinary 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

* Nil = 10.38.

HIGHS AND LOWS

—	1984/85 High	1984/85 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.77 (8/1/84)	74.79 (30/7/84)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.48 (14/3/84)	80.43 (30/7/84)	150.4 (28/11/47)	50.53 (3/1/75)
Ordinary	1024.5 (22/1/85)	755.3 (23/7/84)	1024.5 (22/1/85)	49.4 (26/6/40)
Gold Mines	711.7 (8/3/84)	439.5 (25/1/85)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Mar. 12	Mar. 11
Daily Gilt Edged Bargains	188.8	166.6
Equities Bargains	159.1	166.2
Value	757.8	1202.3
5-day Average Gilt Edged Bargains	152.4	144.4
Equities Bargains	160.3	156.9
Value	971.8	976.1

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Mar 4	Mar 15	June 13	June 24
Mar 18	Mar 29	June 27	July 8
Apr 1	Apr 19	July 11	July 22

For rate indications see end of Share Information Service

Stocks favoured for the call included **Horizon Travel, Intasun, TI, Falcon Resources, Allebone, Debenhams, Rockware, Bristol Oil and Minerals, North Kalgurli** and other Options, **"The Times" Veneer, Acorn Computer, Aran Energy, Davy, Birmid Qualcast, Tricentrol, Barratt Developments, Osceola, British Car Auction, Tootal** and **Sound Diffusion**. A put was done in **Lee Refrigeration**, while a double *was struck in Debenhams.*

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	6	96	4
Corpns. Dom. and Foreign Bonds	6	17	50
Industrials	282	234	927
Financial and Props.	111	81	356
Oils	25	23	76
Plantations	3	2	12
Mines	47	45	86
Others	75	52	91
Totals	554	550	1,600

RECENT ISSUES

EQUITIES

FIXED INTEREST STOCKS

RIGHTS OFFERS

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1985. H Dividend and yield based on prospectus or other official estimates for 1984. Q Gross. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or takeover. ▦ Allotment letters or fully-paid. ‖‖ Introduction. ✠ Unlisted Securities Market. § Placing price. T Figures assumed. †† Official London Listing. ‡‡ Dealt in under Rule 535(3). † Comprising 100 Prf. and one Ptg. share. ‡ Comprising one 11 per cent Cnv.Uns.Ln stk. and one Warrant. ● With Warrants attached. ## Units comprising one New Ord., four New Pref. and one Warrant. ф Figures or report awaited.

NEW HIGHS AND LOWS FOR 1984/5

NEW HIGHS (94)

BRITISH FUNDS (1)
BANKS (3)
BREWERS (4)
BUILDINGS (2)
CHEMICALS (1)
STORES (9)
ELECTRICALS (4)
ENGINEERING (6)
INDUSTRIALS (21)
INSURANCE (1)
MOTORS (1)
NEWSPAPERS (3)
PAPER (3)
PROPERTY (4)
TEXTILES (1)
TRUSTS (24)
OILS (3)
OVERSEAS TRADERS (1)
MINES (1)

NEW LOWS (17)

BUILDINGS (1)
Tysons (Contractors)
ELECTRICALS (1)
Wordplex
ENGINEERING (1)
Farmer (S. W.)
FOODS (1)
Slaters Food
INDUSTRIALS (4)
Breegreen Fertil-A-Chron
Diploma Oldacre
INSURANCE (1)
NZI Corp.
PROPERTY (1)
Markheath Sec.
SHOES (1)
Newbold & Burton
TEXTILES (1)
Munton Bros.
TRUSTS (2)
Channel Isls. Inc. Akroyd & Smithers
MINES (3)
Cultus Pacific HMC Australasia
Metana Minerals

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
BP	525	−10
Britoil	208	− 9
Commercial Union	194	+ 4
GKN	224	+ 4
ICI	806	—
Menzies (J.)	235	+ 8
NSS Newsagents	116	+ 6
Rowntree Mackintosh	390	− 8
Royal Bank of Scot.	284	+ 8
Shell Transport	777	− 8
Smith (W.H.) A	220	+10
United Biscuits	188	− 4

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Tues. close	Day's change
Falcon Res	22	450	+22
Comcap	21	265	+43
British Telecom	16	137	+ 2
Kleinwort Ben.	15	495	+ 5
Midland Bank	15	343	− 2
Rowntree Mack	15	398	+16
Shell Trans	15	785	+17
Bolton Textile	13	25	− 4
ICI	13	806	− 7
Dixons Group	12	607	+13
Goode Murray	12	87	+ 4
Hepworth (J.)	12	178	+14
Reed Int'l.	12	568	+ 6
Yorkshire Chms	12	87	+ 9

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

FIXED INTEREST

EUROPEAN OPTIONS EXCHANGE

TOTAL VOLUME IN CONTRACTS: 32,891

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option		Calls Apr.	Calls Jly.	Calls Oct.	Puts Apr.	Puts Jly.	Puts Oct.
B.P. (*526)	460	75	90	103	2	7	14
	500	40	57	67	12	20	27
	550	14	30	47	42	50	53
	600	7	18	30	85	87	92
Cons. Gold (*477)	460	35	47	60	6	14	20
	500	15	25	35	30	38	47
	550	5	13	18	75	80	87

Option		Calls May	Calls Aug.	Calls Nov.	Puts May	Puts Aug.	Puts Nov.
Imperial Gp. (*186)	160	33	39	—	2	3	—
	180	18	25	27	6	10	11
	200	9	16	20	17	23	27
	220	5	10	14	36	40	44
LASMO (*338)	300	45	47	—	6	9	—
	330	30	33	43	18	23	28
	360	19	27	33	37	40	47
	390	7	18	20	65	68	73

Mar. 13. Total contracts 5,901 Calls 4,627, Puts 1,274
* Underlying security price.

Company Notices

RAND MINES GROUP

ANNUAL GENERAL MEETINGS

NOTICE IS HEREBY GIVEN that the annual general meetings of the undermentioned companies will be held in the auditorium, lower ground floor, The Corner House, 63 Fox Street, Johannesburg on the dates and at the times shown:

Name of Company (Both of which are incorporated in the Republic of South Africa)	Date of Meeting	Time of Meeting	Closure dates of Registers of Members (inclusive)
Durban Roodepoort Deep, Limited	4 April 1985	10h30	29 March to 4 April 1985
East Rand Proprietary Mines Limited	4 April 1985	11h30	29 March to 4 April 1985

In addition to the ordinary business of the meetings, special resolutions deleting and replacing article 31 of the respective companies' articles of association in order to provide for wider powers in respect of the signing in foreign countries of certificates of title to shares and similar documents of title will be considered.

The full texts of the notices of the respective meetings is obtainable from either

The Transfer Secretaries, Rand Registrars Limited, 2nd Floor, Devonshire House, Braamfontein, Johannesburg, 2001 or United Kingdom Registrars, Transfer and Paying Agents, Hill Samuel Registrars Limited, 6 Greencoat Place, London SW1P 1PL.

A member entitled to attend and vote at the meeting may appoint one or more proxies to attend and vote on a poll and speak and act in his stead. A proxy need not be a member of the company.

Holders of share warrants to bearer who desire to attend or be represented at the meeting must produce their share warrants or a certificate of their holding from a banker or other approved person at the bearer reception office in the United Kingdom, or they must produce their share warrants at the office of the Paris correspondents, in both cases at least five clear business days before the date appointed for the holding of the meeting and shall otherwise comply with the 'Conditions governing share warrants' in force. Upon such *production a proxy form or an attendance form will be issued under which such* share warrant holders may be represented at the meeting.

Holders of share warrants to bearer may obtain a copy of the annual report and accounts upon application to 40 Holborn Viaduct, London EC1P 1AJ.

By order of the Boards
RAND MINES (MINING & SERVICES) LIMITED
Secretaries
per V. M. Murton
Administrative Manager and Secretary

Registered Office:
15th Floor, 63 Fox Street,
Johannesburg 2001.
(P.O. Box 62370
Marshalltown 2107).

8 March, 1985.

Following the DIVIDEND DECLARATION by the Company on *10 January 1985. NOTICE is now given that the following* DISTRIBUTION will become payable on or after 15 March 1985.

Gross Distribution per Unit	2.500 cents
Less 15% U.S.A. Withholding Tax	0.375 cents
	2.125 cents
Converted at $1.075	= £0.01976744

Claims should be lodged with the DEPOSITARY: National Westminster *Bank PLC, Stock Office Services, 20 Old Broad* Street, London EC2, on special forms obtainable from that Office.

United Kingdom Banks and Members of The Stock Exchange should mark payment of the dividend in the appropriate square *on the back of the certificate.*

All other claimants must complete the special form and present this at the above address together with the certificate(s) for marking by the National Westminster Bank PLC. Postal applications cannot be accepted.

KINGS HALL ROAD SPORTS GROUND LIMITED

An Extraordinary General Meeting of the Kings Hall Sports Ground Limited will be held in the Pavilion, Kings Hall Road, Beckenham, on Friday 29th March 1985 to decide whether the company should amend its articles of association to empower the company to re-purchase its shares.

Any shareholder who has not received a copy of the notice convening the meeting e.g. because the company has not been notified of a change of address, should contact the secretary at the address below for further information about a possible *offer by the company to re-purchase some* of its shares.

H. J. Tomkies.
Company Secretary.

6 Kemerton Road,
Beckenham, Kent BR3 2NJ.
01-650 5791.

AKTIEBOLAGET SVENSK EXPORTKREDIT
(Swedish Export Credit Corporation)
U.S.$20,000,000 9½% NOTES 1988

S. G. WARBURG & CO. LTD., announce that the semi-annual redemption instalment of Notes due 15th April, 1985 for a *nominal value* of U.S.$1,430,000 has been met by purchases in the market.

U.S.$4,270,000 nominal amount of Notes will *remain outstanding* after 15th April, 1985.

33, King William Street,
London, EC4R 9AS.
14th March, 1985.

NOTICE TO HOLDERS OF
TOSHIBA CERAMICS CO. LTD.
USD 30,000,000 3½% CONVERTIBLE BONDS, 1994

Pursuant to Condition 5(C) (XII) of the terms and conditions of the above mentioned bonds, notice is hereby given *as follows:*

(1) The Board of Directors of Toshiba Ceramics Co. Ltd. (the "company"), at its meeting held on 28th February, 1985, resolved that the company shall make a free distribution of shares of its common stock on 15th May, 1985, Japan time, to the shareholders of the company registered on the record of the shareholders as of 31st March, 1985 (Sunday), (Actually, as of noon, Japan time, of 30th March, 1985 (Saturday), since 31st March is a holiday) at the ratio of 0.2 share for each one share held by such shareholders.

(2) Accordingly, the conversion price in respect of the above mentioned bonds will be adjusted effective from 1st April, 1985. The conversion price in effect prior to such adjustment is Yen 1,642.00 per share of common stock and the adjusted conversion price will be Yen 1,368.30 per share of common *stock.*

TOSHIBA CERAMICS CO. LTD.
By: The Mitsui Bank, Limited
as Principal Paying Agent.

Dated 14th March, 1985

TELEFONAKTIEBOLAGET L M ERICSSON
U.S.$30,000,000 8½% BONDS 1989

S. G. WARBURG & CO. LTD., announce that the semi-annual redemption instalment of Bonds due 15th April, 1985 for a nominal value of U.S.$2,000,000 has been met by purchases in the market.

U.S.$18,000,000 nominal amount of Bonds will remain outstanding after 15th April, 1985.

33, King William Street,
London, EC4R 9AS. 14th March 1985

CHARITY COMMISSION
CHARITY—CHARITIES DEPOSIT FUND

The Charity Commissioners have made a Scheme for this charity. Copies can be obtained from them at 14 Ryder Street, London SW1Y 6AH (ref: 15-3-24-LC).

Public Notices

MONOPOLIES AND MERGERS COMMISSION
INQUIRY INTO BRITISH AIRPORTS AUTHORITY COMMERCIAL ACTIVITIES

The Monopolies and Mergers Commission have been directed to investigate the efficiency and costs of the British Airports Authority in its commercial activities; their report will cover its arrangements for the provision of services to the public (such as retail goods, catering, chauffeur-driven car hire and car parks), as well as the provision of services to airlines or by one airline to another, and the granting of leases of land. The Commission will be interested in discovering whether there is scope for increased competition at the point of sale; they will also be investigating the Authority's procedures for selecting concessionaires and for monitoring the services they provide. Anyone wishing to submit evidence is invited to write to the Secretary of the Commission, from whom a copy of the reference may be obtained. His address is:

Monopolies & Mergers Commission
New Court
48 Carey Street
London WC2A 2JT

Obituaries

PEIRIS-DENZIL, Editor, South Magazine, passed away 8 March suddenly. Cremation service, Friday, 15 March at 3 pm in the West Chapel of Golders Green Crematorium, Hoop Lane, London NW11. Flowers to J. H. Kenyon, 83 *Westbourne Grove, London W2* before 12 noon.

Art Galleries

AGNEW GALLERY, 43 Old Bond St. W1. 629 6176. MODERN BRITISH WORKS OF ART. Until 26 April. Mon.-Fri. 9.30-5.30; Thurs. until 6.30.

BROWSE & DARBY, 19 Cork Street, London W1. 734 7984. SIR ROBIN PHILIPSON. Recent paintings.

MARTYN GREGORY EXHIBITION OF EARLY ENGLISH WATERCOLOURS AND DRAWINGS, 4th-16th March, 10 am to 6 pm (Weekdays), 10 am -1 pm (Saturdays). 34, Bury St., St. James's, London, SW1. 01-839 3731.

WORLD STOCK MARKETS

Indices

NEW YORK - DOW JONES

	March 13	March 12	March 11	March 8	March 7	March 6	1984-85 High	1984-85 Low	Since Compilation High	Since Compilation Low
Industrials	1,265.78*	1,271.75	1,268.55	1,269.66	1,271.53	1,280.37	1299.36 (1/3/85)	1086.57 (24/7)	1299.36 (1/3/85)	41.22 (2/7/32)
Transport	611.52*	615.59	611.71	615.37	618.58	622.23	635.30 (1/3/85)	444.83 (25/7)	635.30 (1/3/85)	12.32 (8/7/32)
Utilities	148.29*	148.03	147.87	147.77	148.13	148.39	151.16 (13/2/85)	122.25 (15/6)	163.72 (20/4/69)	10.5 (28/4/42)
Trading vol		92m	84m	98m	112m	116m	—	—	—	—

	Mar 8	Mar 1	Feb 22	Year Ago (Approx)
Ind Div Yield %	4.81	4.89	4.77	4.71

STANDARD AND POORS

	March 13	March 12	March 11	March 8	March 7	March 6	1984-85 High	1984-85 Low	Since Compilation High	Since Compilation Low
Industrials	199.60*	200.82	198.92	200.25	200.76	202.23	205.15 (1/3/85)	167.74 (24/7)	205.15 (1/3/85)	3.52 (30/6/32)
Composite	178.78*	179.66	178.79	179.18	179.51	180.65	183.35 (13/2/85)	147.82 (24/7)	183.35 (13/2/85)	4.40 (1/6/32)

	Mar 6	Feb 27	Feb 20	Year Ago (Approx)
Ind div yield %	3.83	3.82	3.81	4.88
Ind. P/E Ratio	11.24	11.33	11.34	11.81
Long Gov Bond Yield	11.84	11.83	11.45	12.16

N.Y.S.E. ALL COMMON

March 13	March 12	March 11	March 8	1984-85 High	1984-85 Low
103.52*	104.03	103.60	103.82	106.88 (13/2/85)	85.13 (24/7)

RISES AND FALLS

	March 12	March 11	March 8
Issues traded	1,991	1,976	1,960
Rises	816	596	622
Falls	682	911	857
Unchanged	493	469	481

NEW YORK ACTIVE STOCKS

Tuesday	Stocks traded	Closing price	Change on day
Phillips Petrlm.	1,421,900	48⅝	+ ¼
Am Nat Res	1,549,800	62	+1⅛
Chrysler	1,461,600	34⅞	+1⅛
Texas Util.	1,372,100	27½	+ ⅜
Am. Med. Int.	1,102,200	22⅝	− ½
AT & T	1,102,000	21⅞	+ ½
Detroit Edison	1,078,700	15⅜	− ⅜
Exxon	970,200	50	+1⅛
Pac Gas/El	947,300	16⅝	+ ⅛
Fin. Cpn Amer.	930,900	7⅞	− ⅛

TORONTO

	March 13	March 12	March 11	March 8	1984-85 High	1984-85 Low
Metals & Minls	2,033.1*	2,050.0	2,048.4	2,057.9	2524.4 (12/1/84)	1641.2 (25/7)
Composite	2,594.2*	2,607.5	2,602.2	2,613.8	2647.6 (5/3/85)	2079.7 (24/7)
MONTREAL Portfolio	129.21*	130.54	130.39	130.73	132.77 (5/3/85)	100.36 (24/6)

* Indicates pre-close figure

	Mar. 13	Mar. 12	Mar. 11	Mar. 8	1984-85 High	1984-85 Low
AUSTRALIA All ord. (1/1/80)	787.4	784.1	783.9	788.1	799.9 (28/2/85)	546.5 (18/6)
Metals & Minls. (1/1/80)	471.2	469.0	469.2	473.0	567.4 (8/1/84)	395.6 (7/1/85)
AUSTRIA Credit Aktien (2/1/62)	72.42	73.05	73.73	72.64	74.96 (28/2/85)	55.20 (15/8)
BELGIUM Brussels SE (1/1/80)	2310.05	2305.98	2302.78	2298.55	—	—
DENMARK Copenhagen SE (3/1/83)	174.44	175.86	178.34	178.49	225.2 (20/1/84)	158.44 (8/1/85)
FRANCE CAC General (31/12/82)	208.4	208.9	207.2	205.3	208.4 (13/3/85)	155.6 (5/1/84)
Ind Tendance (28/12/84)	113.1	112.5	112.4	111.8	113.1 (13/3/85)	100.0 (28/12/8[illegible])
GERMANY FAZ Aktien (31/12/58)	419.27	420.87	417.72	416.92	420.87 (12/3/85)	317.17 (25/7)
Commerzbank (1/12/53)	1214.3	1216.1	1205.3	1205.1	1216.1 (12/3/85)	917.7 (25/7)
HONG KONG Hang Seng Bank (31/7/64)	1335.92	1371.51	1368.11	1395.27	1435.17 (19/2/85)	746.02 (13/7)
ITALY Banca Comm Ital. (1972)	276.96	277.28	276.80	278.30	288.71 (28/2/85)	192.08 (2/1/84)
JAPAN** Nikkei-Dow (16/5/49)	12419.3	12298.3	12263.8	12347.5	12509.0 (4/3/85)	9703.35 (25/7)
Tokyo SE New (4/1/68)	986.53	977.14	975.66	981.91	989.59 (6/3/85)	758.46 (4/1/84)
NETHERLANDS ANP-CBS General (1970)	208.7	208.5	206.2	205.9	208.7 (13/3/85)	146.8 (25/7)
ANP-CBS Indust (1970)	165.6	165.3	163.5	163.4	165.8 (13/3/85)	118.7 (18/8)
NORWAY Oslo SE (4/1/83)	328.14	327.78	322.83	321.29	345.6 (8/2/85)	221.67 (4/1/84)
SINGAPORE Straits Times (1966)	831.31	858.02	841.98	849.62	1071.9 (8/2/84)	764.4 (16/1/85)
SOUTH AFRICA Gold (1958)	(u)	908.0	893.8	907.2	1056.0 (13/11)	788.1 (24/1/84)
Industrial (1958)	(u)	847.7	847.9	847.7	1185.3 (28/3/84)	846.6 (5/3/85)
SPAIN Madrid SE (28/12/84)	111.56	112.65	112.16	111.17	117.41 (4/2/85)	100.00 (28/12/8[illegible])
SWEDEN Jacobson & P (1/1/58)	1444.17	1419.18	1412.2	1424.0	1584.5 (8/2/84)	1202.59 (22/11)
SWITZERLAND Swiss BankCpn. (31/12/58)	428.9	426.9	428.8	426.9	428.9 (13/3/85)	354.5 (25/7)
WORLD Capital Intl. (1/1/70)	—	196.6	195.8	195.6	198.1 (4/3/85)	153.2 (14/12)

** Saturday March 9: Japan Nikkei-Dow (c). TSE (c).

Base value of all indices are 100 except Australian All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto Composite and Metals—1,000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ 400 industrials. § 400 industrials plus 40 Utilities. 40 Financials and 20 Transports. c Closed. u Unavailable.

OVER-THE-COUNTER

Continued from Page 40

Stock	Sales (Hnds)	High	Low	Last	Chng
Cptcft	75	7¼	6⅞	6⅞	
Cnsrve	81	3⅝	3½	3⅝	+⅛
Consti	808	13⅛	12⅝	13⅛	+⅜
Cnspshp	28	4	4	4	+⅛
Contic h	1316	8	2½	2⅝	[illegible]
Conzpd	9	7⅝	7⅛	7⅝	+⅛
Coolr s 1	146	23¼	23	23	
ConnWt 1.48	29	15⅛	14⅞	14⅞	
CnCap 3.38e	224	24	23¾	23¾	−⅛
CCapR 1.68e	77	17¾	17	17¾	
CCapS 3.38	121	24¼	23⅝	23⅝	−⅜
ConFbr	25	8¼	8⅛	8⅛	−⅜
CnPap s 1.28	113	39½	39	39	−¼
ConsPd .08	50	4⅞	4⅝	4⅝	+⅛
Consul	186	5½	5¼	5¼	−⅛
CntlBcp 2.04b	1	33	33	33	−¼
CtlFSL	40	12¾	12¼	12½	+⅛
CtlHlt s	242	12⅝	11½	11½	−⅛
CtlHltC	99	5⅝	5⅛	5¼	
CtlLsr	74	7¾	7⅝	7⅝	−¼
Convgt	3580	8⅞	8⅛	8¼	−⅜
Convrse	308	18¾	18	18	
CoprBio	92	4⅝	4⅝	4⅝	+⅛
Coors B .40	112	15	14⅞	14⅞	−⅛
Copytel	208	23½	21½	21½	−1¾
Corcom	2	7¼	7	7	
Cordis	221	8⅛	7⅞	7⅞	−⅛
CoreSt 2.06	57	48	47⅞	47⅞	
Corvus	321	4⅛	3⅞	3⅞	−⅛
Cosmo	584	5⅞	5¾	5¾	−¼
Courer s .50	60	23¾	22⅝	23	−⅜
CousP s .32	36	22⅝	22¼	22⅝	
CrkBrl .14	174	14¼	13⅞	14	
Cramer	1	8⅞	8⅞	8⅞	−⅛
CrazEd	7593	21⅛	20½	20½	−½
Cronus	214	16⅞	15½	15¾	+⅛
CrosTr .80	338	29⅛	28	28	−⅛
CwnBk	7	12½	12½	12½	
Crump .44	1	26¾	26¾	26¾	+⅛
CullnFr .94	30	25⅝	24½	24½	−½
CulIom .56	54	23¼	23	23	−⅛
Culp .06	9	6	6	6	−⅛
Cycare	102	27	25	26¾	+1⅜
CyprSv .20e	3	12¾	12¾	12¾	
D D					
DBA	33	15	14½	14½	−⅛
DEP	28	9½	9⅛	9⅛	−⅛
DLites	132	12½	12⅜	12⅜	
DNA Pl	10	5⅞	5⅞	5⅞	−⅛
DairySy	7629	32½	28¾	29	−3½
DalasF	106	29	28⅝	28⅝	−⅜
DmnBio	100	5⅞	5½	5⅝	−⅛
Datcrd .24	133	23¾	23⅜	23⅜	−⅛
Dta IO	251	13⅛	12⅝	12⅝	−⅜
DtSwtch	377	6½	5¾	5⅞	−⅜
Datpwr	8	4½	4¼	4¼	−¼
Datscp	1	17¼	17¼	17¼	+⅛
Dtasth	163	4⅛	4	4	
Datum	215	8⅝	8¼	8¼	
DavisW .19e	24	17¾	16¾	17	−½
Dawson	130	6⅞	6½	6½	−⅛
DebSh .20e	197	18¼	17½	17¾	−⅜
DeclsD	1108	17	16⅝	16⅝	−⅜
DekbA .72	420	22⅝	22⅜	22½	+⅛

Continued on Page 43

WORLD STOCK MARKETS

OVER-THE-COUNTER

Continued from Page 42

Stock		Sales (Hnds)	High	Low	Last	Chng
Deichm	.28	9	18	17¾	17¾	−¼
DelbDt		5	1¼	1¼	1¼	−⅛
DelNG	1.04	33	11	11	11	
Deltak		74	7¾	7⅝	7¾	+¼
Denelcr		1326	5⅞	5⅜	5¾	+¼
DentMd		87	6½	6⅜	6½	+⅛
Desgnh		183	7½	7	7	−⅜
Dewey		5	6	6	6	
DiagPr		9	4¼	4	4	−⅛
Diasonc		21	11	11	11	−⅛
Dibrel		520	4	3¾	3¾	−½
Dicson		79	34	33½	33⅞	−¼
Dicmad		58	12⅞	11¾	11¾	−⅛
Diglog		62	12¾	12½	12½	−1
DigtCm		76	6⅝	6⅞	6⅝	+⅛
DigtSw		984	21½	20¾	20¾	−½
Dionex		2814	24⅞	23⅞	23⅞	−⅞
DistLog		19	33¼	32¾	32¾	
Dvlood	.34	109	7½	6¾	6¾	−¼
DocuOl		6572	10⅜	9⅞	9⅞	−½
DirGnl	.24	208	3½	3⅜	3½	
DomB	1.20	97	25½	24⅞	24⅞	−⅝
Donovn	1.38	65	29½	29¼	29½	
DrchH	.20	10	19	19	19	+¼
DoylDB	.88	62	18½	17¾	17¾	
Drantz	.20e	228	21	20¾	20¾	
Dreshr	.10e	195	12¾	12⅜	12¾	+¼
DrewNt		20	15	14¾	14¾	
Drexlr		319	1⅜	1⅜	1⅜	

Stock		Sales (Hnds)	High	Low	Last	Chng
EmpAir		58	9⅛	8⅞	8⅞	−¼
Emulex		1642	8¼	7½	7⅝	−1⅝
Endta		86	5½	5⅛	5¼	+¼
Endvco		52	8¼	8	8	−¼
EndoLs		1537	13⅜	12⅞	13⅛	+½
EngCnw		74	27½	26¾	26¾	−1
EnFact		15	9¾	9½	9½	−¼
EngOil	s	64	8½	8⅛	8⅛	−½
EngRsv		60	15-16	13-16	13-16	
Engph	.22	2	14	14	14	−½
EntPub		142	17	16½	17	−½
Envrdn		58	3⅝	3½	3½	
EnvSys		41	28	26¾	26¾	−¼
EnzoBl		147	18¾	18	18	−½
Epsiln		3209	15¼	14⅝	15¼	−¼
Equat		2880	16⅞	16¼	16½	−⅜
EqtOil	.20	287	7⅝	7⅛	7¼	
EricTl	.94e	1235	30½	29½	30	+½
EvnSut		304	15	14⅜	14½	−⅜
Exovir		342	13¾	13⅛	13⅝	−¼
F F						
FDP		40	6¾	6½	6¾	
FMI	.02e	36	6	5⅞	6	
FairLn	.16	3	6¾	6¾	6¾	
FarmHl	s	268	1⅛	1	1⅛	
FrmHm		387	27¾	27¼	27¾	
FarmF	t	6	20⅝	20⅜	20⅝	
FrmHo	t	97	4⅝	4½	4½	−⅛
FrmG	1.76	1003	56⅞	55¾	56	+⅛
FarmCo	.24	7	10½	10½	10½	−¼
FdScrw	.30e	3	11¼	10¼	10¼	−½

LONDON SHARE SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1984-85 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
98	93¼	Treas 3pc 1985	98	+⅛	3.06	14.00
102⅝	99	Treas 11¼pc 1985	99⅝	−⅛	11.57	13.33
99⅝	96	Treas 8¾pcCnv '85	98	−⅛	8.92	12.98
104	99	Exch. 12¼pc 1985	99⅝	−⅛	12.30	12.70
103	99	Exch. 11¾pc '86	99	−⅛	11.82	12.30
102	96	Treas. 10pcCnv 1986	97	.....	10.29	12.41
94	88¾	Treas 3pc 1986	93⅞	−⅛	3.20	8.55
102	96¼	Exch. 10½pc Cv '86	97	−⅛	10.72	12.40
104	99	Treas 12pc 1986	99½	−⅛	12.06	12.38
98¼	93½	Treas 8¾pc 1984-86‡‡	95⅞	−⅛	8.87	11.94
108	102	Exch. 14pc 1986	102⅝	−⅛	13.64	12.12
89⅝	85	Exch. 2½pc 1986	89¼	.....	2.80	9.53
107	100	Exch. 13¼pc 1987	102	−⅛	12.98	11.94
100⅝	94½	Treas 10¼pcCv '87	97	−⅛	10.55	11.91
87¾	83⅝	Exch 2½pc 1987	87½	−⅛	2.86	9.68
101	94	Exch. 10½pc 1987	97½	−⅛	10.77	11.93
92¾	87	Funding 6½pc '85-87‡‡	90⅞	−¼	7.15	11.43
99⅝	92⅞	Treas. 10pc 1987	96	−¼	10.41	12.02
86¼	81	Treas 3pc 1987	86⅞	−¼	3.45	9.58
105	97¼	Treas. 12pc 1987	99⅞	−⅛	12.02	12.02
94⅞	87	Treas 7¾pc 1985-88‡‡	91¾	−⅛	8.45	11.17
100⅝	92	Exch 10½pc '88	96¼	−⅛	10.91	11.95
98	89	Treas 9¾pc Cv '88	94	−⅛	10.35	11.91
83½	77	Transport 3pc '78-88	83	−⅛	3.61	9.07
96	88	Treas. 9½pc '88	92	−⅛	10.25	12.01

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

AMERICANS—Cont.

CANADIANS

BANKS, HP & LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BEERS, WINES—Cont.

BUILDING, TIMBER, ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY & STORES—Cont.

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

MINES—Continued

Finance

1984-85 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
150	105	Afex Corp SA $1.50	122	.....	Q7.5c	2.1	5.5
£21	£13¼	Ang. Am. Coal 50c	£18½	.....	†Q145c	3.1	3.8
£14	930	Anglo Amer. 10c	£10¾	.....	Q120c	2.0	5.6
£89¾	£68	Ang. Am. Gold R1	£75¼	.....	Q1025c	♦	6.7
£39½	£25½	Anglovaal 50c	£30	.....	†Q315c	3.8	5.1
262	165	Charter Cons. 2p	200	−5	11.0	1.1	7.9
33½	22	‡Clogau Gold 10p	28	.....	—	—	—
627	463	Cons. Gold Fields	478xd	−2	24.5	1.4	7.3
74	23½	East Rand Con. 10p	73	+3	1.5	0.9	2.9
£13⅝	837	Gencor R1	925	.....	Q133c	1.2	7.0
*£17¼	915	Gencor 40c	£10¼	.....	Q190c	♦	9.4
13½	9	Gold & Base 12½p	12½	−½	—	—	—
£19⅝	£10¼	Gold Fields S.A. 5c	£13¼	−¼	†Q100c	2.0	3.7
£100¾	£66	Jo'burg Cons. R2	£78	.....	Q750c	♦	4.7
£12¼	700	Middle Wit 25c	825	.....	†Q90c	1.8	5.3
792	480	Minorco $BD1.40	718	.....	Q22c	1.4	1.5
637	369	New Wits 50c	460	−14	†Q50c	1.7	5.3
37	14	Rand London 15c	26	.....	—	—	—
720	430	Rand Min. Props. R1	590	.....	NQ65c	2.6	5.3
£33¼	£20¼	T'vaal Cons. Ld. R1	£27	.....	Q280c	2.6	5.0
180	75	Vogels 2½c	105	.....	Q16c	♦	6.8

Australians

1984-85 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
41	17	¶ACM 50c	20½	−½	—	—	—
38	16	¶Allstate Expl'n. NL	16	.....	—	—	—
10½	2½	¶Asia Oil & Minerals	2½	.....	—	—	—
20	11	¶Aust. Hydrocarbon NL	11	.....	♦	—	—
28	8	¶Australis Mng N.L.	8	.....	—	—	—

Miscellaneous

1984-85 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
40	25	¶Emex Int. Ir10p	37	.....	—	—	—
252	150	Hampton Areas 10p	190	−2	3.75	2.1	2.6
260	140	¶Highwood Res.	248	+5	—	—	—
£24½	£16	Homestake Mining $1	£21¼	+⅛	Q20c	—	0.8
295	135	¶McFinley Red Lake	260	−5	—	—	—
260	101	¶Mesto Explorations	245	+5	—	—	—
55	23	¶New Sabina Res C$1	33	−2	—	—	—
365	220	Northgate C$1	320	+5	—	—	—
728	500	RTZ	643	−2	†18.0	2.7	4.0
£155½	£113½	Do. 9½pcLn '95-2000	£142½	.....	Q9½%	35.4	6.7
£13⅛	850	¶Tara Expln $1	£12½	+⅛	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsetable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ¶ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ✦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 535(3).
- ‖ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Tender price. F Dividend and yield based on prospectus or other official estimates for 1984-85. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Stock	Price	+ or −	Stock	Price	+ or −
Albany Inv 20p	98	.....	Arnott	170	+2
Craig & Rose £1	£18	.....	CPI Hldgs	57	.....
Finlay Pkg. 5p	58	.....	Carrol Inds.	110	.....
Higsons Brew	118	.....	Dublin Gas	60	.....
Holt (Jos) 25p	800	.....	Hall (R. & H.)	45	.....
IoM Stm. £1	127	+2	Helton Hldgs.	16½	.....
IRISH			Irish Ropes	48	.....
Exch. 12% 1985	£99½	.....	Jacob (W. & R.)	65	.....
Nat. 9¾% 84/89	£85¾	.....	TMG	115	+5
Fin. 13% 97/02	£93⅝	+½	Unidare	77¼xd	.....

OPTIONS — 3-month call rates

Industrials	p		p		p
Allied-Lyons	16	GKN	17	Turner Newall	10
BAT	32	Hanson Tst.	17½	Unilever	85
BOC Grp.	25	Hawker Sidd	38	Vickers	19
BSR	16	Hse of Fraser	30	**Property**	
BTR	52	ICI	60	Brit Land	12
Babcock	14	'Imps'	18	Cap Counties	18
Barclays	48	Jaguar	28	Land Secs	25
Beecham	32	Ladbroke	24	MEPC	28
Blue Circle	45	Legal & Gen	58	Peachey	22
Boots	15	Lex Service	28	Samuel Props	14
Bowaters	20	Lloyds Bank	45	**Oils**	
Brit Aerospace	33	Lucas Inds.	25	Brist. Oil & Min	4
Brit. Telecom	11	Marks & Spcr	11	Brit Petroleum	42
Brown (J.)	3	Midland Bk	38	Burmah Oil	18
Burton Ord	39	NEI	8	Charterhall	6
Cadburys	14	Nat West Bk	60	Premier	5
Comm Union	19	P & O Dfd	36	Shell	68
Courtaulds	12½	Plessey	17	Tricentrol	18
Debenhams	17½	Polly Peck	26	Ultramar	19
Distillers	28	Racal Elect	18	**Mines**	
Dunlop	6	RHM	11	Charter Cons	18
FNFC	8½	Rank Org Ord	32	Cons Gold	44
Gen Accident	45	Reed Intnl	50	Lonrho	14
Gen Electric	17	Sears	8	Rio T Zinc	56
Glaxo	85	TI	28		
Grand Met	25	Tesco	20		
GUS 'A'	60	Thorn EMI	35		
Guardian	60	Trust Houses	13		

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 43

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

Abbey Unit Tst. Mngrs. (a)
1-3 St Paul's Churchyard, EC4P 4DX. 01-236 1833

High Income				
Gilts & Fixed Int.	108	115.1xd	-0.1	10.43
High Inc Equity	71.3	75.8	+0.1	6.12
Worldwide Bond	158.1	168.2xd	-0.1	5.77
Capital Growth				
American Growth	135.8	144.5	+0.4	1.51
Assets & Emgs. Tt.	75.4	80.6	+0.1	3.60
Capital Reserve	54.7	55.0xd		0.76
Commodity & Engy	78.3	83.7xd	+0.3	3.09
General	104.3	111.4	+0.5	2.91
Japan	189.1	201.2	+1.6	—
UK Growth	73.0	78.5	+0.4	1.96
Acc. Units	103.0	110.8	+0.5	1.96
U S Emerging Co's	60.2	64.0		0.41
Equitas Prog	160.5	171.7	+0.3	3.01

Aitken Hume
30, City Road, EC1Y 2AY. 01-628 6626

American Tech Fd	151.8	162.4	+0.6	0.10
Exempt	415.0	440.0		—
Pacific Fd	139.0	148.8		0.20
Secured Income Fd	143.0	153.0	+0.5	—
Special Sits	166.3	177.9		1.56
Energy Fd	37.7	40.3	-0.5	0.60
American Majors	63.3	67.7		1.56
Small Co's Fd (10for1)	29.9	32.0xd	-0.2	1.97
Jap. Technology	73.3	78.4	+0.8	0.20

Allied Unit Trusts Limited (a)(g)
Allied Hambro House, Hutton, Brentwood, Essex Brentwood. (0277) 211459 & 229123

Balanced Trusts and Income Trusts				
First Trust	162.4	172.1xd	-0.1	4.04
Growth & Inc Trust	104.4	110.7		4.06
Capital Trust	191.7	203.2		2.92
Balanced Trust	278.2	294.9	-0.5	3.99
Accum Trust	419.3	444.5	-0.7	3.26
American Income	31.7	33.7xd		4.45
High Income Trust	179.8	190.6xd		5.66
Equity Income Trust	99.1	105.0		5.84
High Yield Trust	116.5	123.5	-0.2	6.50
Govt Secs Trust	28.0	29.3		9.83
International Trusts				
International Trs	69.8	74.0xd	+0.3	1.99
Japan Trust	69.4	75.0	+0.6	0.01
Pacific Trust	129.5	137.3	+0.3	0.89
AmerSpecSitsTst.	64.6	68.5xd		1.19
Secs of Amer Tst.	193.7	209.2	-0.5	1.20
Specialist Trusts				
Allied Asst Val	163.8	173.6	-0.5	3.63

Britannia Gp. of Unit Trusts Ltd. (a)(c)(g)
Salisbury House, 31, Finsbury Circus, London EC2 01-588 2777 Dealing: 01-638 0478/0479
Britannia Viewpoint 01-675 6666

UK Specialist Funds				
Growth Gilt Trust	51.6	52.4xd	-0.2	0.73
Recovery	76.6	81.7		2.89
Smaller Cos.	110.8	118.2xd	+0.4	1.29
Spec. Mkt. Sits.	76.4	81.5	+0.6	1.29
UK Growth (Domestic)	31.6	33.7	+0.1	3.12
High Income Funds				
Extra Inc.	49.5	52.8xd	+0.4	8.11
Gilt	25.3	26.6		9.93
Inc & Growth	151.5	161.6	+0.7	4.70
Nat. High Inc.	145.7	155.4	+0.4	5.98
Pref. Shares	17.0	18.1xd	+0.1	11.41

FS Investment Managers Ltd.
190 West George St., Glasgow. 041-332 6462

FS Balanced Gwth Fd.	206.9	220.1		—

Fidelity International Management Ltd.
River Walk, Tonbridge, TN9 1DY. 0732 362222

American (z)	95.5	101.6	+2.1	0.98
Amer. Eq. Inc. (z)	34.9	37.2	+0.6	4.95
Amer. Spec. Sits (z)	56.5	60.2	+1.0	—
South E. Asia Tst (z)	29.1	31.0	+0.5	1.51
Japan Special Sits (z)	27.5	29.3xd	+0.4	—
Japan Trust (z)	93.8	99.8	+1.6	—
Managed Int. Tst. (z)	88.8	94.5xd	+1.1	0.72
Max. Inc. Eq. Tst.	54.5	58.0xd	-0.1	6.63
Special Sits.	99.1	105.9	-0.1	1.31

City of Westminster Assurance
Sevey House, 500, Avebury Boulevard, Central Milton Keynes MK9 2LA.
Tel. 0908-606101/660888

Current Series				
Property Fund	104.7	110.3		—
Money Fund	197.2	207.6		—
Managed Fund	336.2	353.9		—
Equity Fund	183.9	193.6		—
Fixed Interest Fund	125.0	131.6	-0.3	—
Far East Fund	156.3	164.6	-1.2	—
North American Fund	178.4	187.8	+0.6	—
Natural Resources Fund	138.9	146.3	+0.9	—
S U 4. Flag Fund	106.6	112.3	+0.8	—
Pension Managed Fund	309.9	309.9	-0.3	—
Pension Equity Fund	160.3	160.3		—
PBR Fund	136.1	143.3		—

For other prices please telephone 0908 606101/660888

Clerical Medical/Fidelity International
Narrow Plain, Bristol, BS2 0JH 0272 290566

General Portfolio Life Ins. PLC
Crossbrook St., Cheshunt, Herts. 0992 31971

Portfolio Fd Acc	332.7			—
Portfolio Fd Ud.	359.3			—
Portfolio Fd. Ins A	332.6	350.2		—
UK Equity	138.8	146.1		—
Overseas Equity	129.6	136.5		—
Smaller Companies	108.8	114.6		—
Gilt Plus	100.6	106.0		—
Gilt Plus 88	100.6	106.0		—
Fixed Int Dep.	100.8	106.2		—
Managed	129.2	136.0		—
Inter Man	125.0	132.1		—

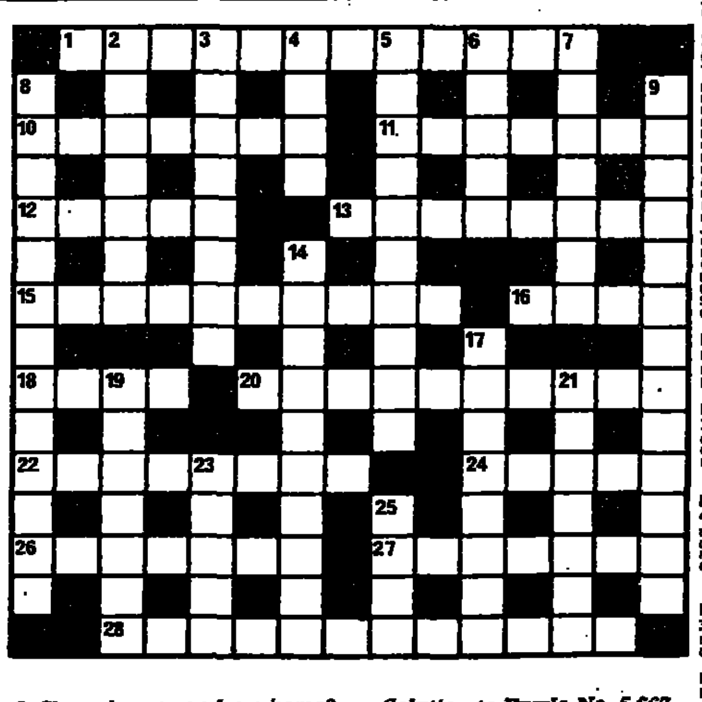
For other prices please telephone 0992 31971

Gresham Unit Assurance Ltd.
2-6, Prince of Wales Rd., B'mouth

Managed Fd	343.1	361.2		—
Money Fd	167.0	175.8		—
Equity Fd.	312.4	329.1		—
Fixed Int. Fd	121.4	130.0		—

INSURANCES

F.T. CROSSWORD PUZZLE No. 5,668



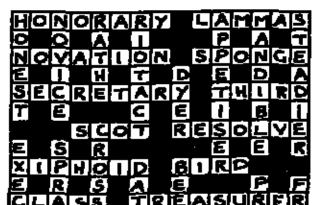
ACROSS

1 Playwright adapts learned works (6, 6)
10 Chums at home in a home, perhaps (7)
11 It alone can provide high spirits (7)
12 Language from North India (5)
13 Unproductive but impressive (8)
15 Might be a rush job (6-4)
16 Courage needed on icy roads (4)
18 End of story, we hear (4)
20 Government tender (5, 5)
22 Problem of pain (8)
24 Hesitate and flag (5)
26 His enemies got fatally jarred (3, 4)
27 Joke about girl being very moral (7)
28 Taking papers out is not an extra job (8, 4)

DOWN

2 Romance in which Marconi gets involved (7)
3 Stranger dismissed — rides off (8)
4 An infusion of energy (4)
5 Voters choose to speak (10)
6 A uniform colour, perhaps (5)
7 Not so fine ruler (7)
8 Vigilant chap who may never have to do a day's work? (13)
9 Champions away from home? (7, 6)
14 Return to a fairground attraction? (10)
17 Wintry shower before the fall produces a flower (8)
19 Characters that are inclined to be distinctive (7)
21 A hot-rod driver? (7)
23 Sailor on rough sea becomes humble (5)
25 Not yet decided to start (4)

Solution to Puzzle No. 5,667



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INSURANCE, OVERSEAS & MONEY FUNDS

Liberty Life Assurance Co Ltd
Station Rd, New Barnet.
Fund Managers, Touche Remnant & Co. 01-440 8210

Sel Sec A	27.3	28.8	...	—
Blue Chip	22.6	23.8	—	—
Fixed Yield	19.7	26.8	...	—
Deposit Fund	14.0	16.9	...	—
Managed	21.4	22.6	.	—
International	29.6	31.2	..	—
Property	17.3	18.3	..	—
Pacific	23.2	24.5	...	—
Equity	16.6	17.5	..	—
Special Sits	25.7	27.1	..	—
Int Currency	14.5	15.3	..	—
Index Linked Secs.	11.4	12.0	.	—
American	24.5	25.8	.	—

Life Assur. Co. of Pennsylvania
8, New Rd, Chatham, Kent. Medway 812348

LACOP Units	14.85	15.57	—	—

Lloyds Life Assurance
20, Clifton St, EC2A 4HX. 01-920 0202/0733 262524

Mult Gwth Mar 6		£315.369		
Mult Gwth "A" Mar 6	282.9	297.8	...	—
Op 8 Prop Mar 7	264.9	278.9	...	—
Op 8 Equity March 13	386.4	406.8	+2.9	—
Op Hy Mar 7	264.2	280.3	—	—
Op 8 Man Mar 7	352.3	370.9	...	—
Op 8 Dep March 13	203.1	213.8	+0.1	13.87
Op 8 Bond Mar 7	190.0	200.1	...	—
Op 8 Inc Dist Mar 7	146.1	153.8	.	8.29
Op 8 Int Man Mar 7	220.5	232.2	..	—
Op 8 US$ Mar 7	160.8	169.3	.	12.12
Pens 8 Pr Ac Feb 28	349.1	367.5	...	—
Pens 8 Eq Ac Feb 28	1080.7	1138.7	...	—
Pens 8 FI Ac Feb 28	393.1	415.8	...	—
Pens 8 Mid Act Feb 28	626.4	659.4	...	—
Pens 8 Dp Acc Feb 28	325.7	342.9	..	—
Pens8Gart Globe Feb 28	117.2	123.4	.....	—
Pens 8 Gart NA Feb 28	109.1	114.9	--	—
Pens8GartP Feb 28	125.2	131.8	.	—

For Pensions Capital Units please ring ext 2396 or 2361.

Britannia Funds—Series A

Am Smlr Co's	144.0	151.6	+1.6	—
Am Spec Sits	166.4	175.2	+4.8	—
Commodity	84.2	88.7	-0.6	—
Extra Inc.	117.4	123.6	+0.7	—
Far East	118.9	125.2		—
FI Secs	159.3	167.7	+0.8	—
Gold & Gen	76.3	80.4	-0.4	—

National Provident Institution
48, Gracechurch St, EC3P 3HH. 01-623 4200

Managed	204.4	215.3	+0.2	—
UK Equity	238.2	250.8	+0.4	—
Overseas Eq.	212.9	224.2	+0.6	—
Americas	215.1	226.5	+0.3	—
Far East	184.3	194.0	+0.5	—
Property	112.9	118.9		—
Fixed Int	161.5	170.0	-0.5	—
Indexed Gilt	110.1	115.9	-0.2	—
Deposit	115.1	121.2	-	—

Pension Fund Prices

Man. Initial	205.2	216.0	+0.5	—
Man Acc	229.6	241.7	+0.6	—
UK Eq. Initial	220.8	232.5	+1.0	—
UK Eq.	243.6	256.5	+1.1	—
Overseas Eq. Initial	233.4	245.7	+0.9	—
Overseas Eq.	270.1	284.4	+1.1	—
American Initial	247.9	261.0	+0.4	—
American	274.8	289.3	+0.5	—
Far East Initial	236.8	249.3	+0.7	—
Far East	263.2	277.1	+0.9	—
Prop. Initial	108.5	114.3	...	—
Prop.	120.2	126.6	-	—
Fixed Int. Initial	145.3	153.0	-0.5	—
Fixed Int.	160.4	168.9	-0.9	—
Indexed Gilt Initial	103.3	108.8	-0.2	—
Indexed Gilt	114.6	120.7	-0.2	—
Deposit Initial	114.00	120.1	...	—
Deposit	126.9	133.6	.	—

NPI Pensions Management Ltd.

Managed Fund	560.4	574.8	...	—

Prices March 1. Next dealing April 1

New Zealand Insurance PLC
110/114, Baxter Avenue, Southend. (0702) 344555

Kiwi Key (Managed)	377.3	389.0		—
UK Equity	172.0	181.1	+0.7	—
American	275.8	290.3	-4.8	—
Pacific	396.4	417.3	-3.1	—
Property	158.7	161.7	.....	—
Gilt	175.9	185.1	-0.4	—
High Inc. Equity	163.7	172.3	+0.5	—
High Inc. Fxd. Int.	104.1	109.6	-0.4	—
Deposit	151.1	159.0	..	—
Index-Linked Gilt	105.6	111.1	-0.2	—

Norwich Union Insurance Group
PO Box 4, Norwich NR1 3NG. 0603 622200

NUIG (Managed Funds) Ltd.

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$11.48	—	-0.04	—

Inv. Adv. M & G. Inv. Mngt., Ltd., London

Wren Commodity Management Ltd.
10, St George's St, Douglas IoM. 0624 25015

Wren Com. Fund	12.8	13.3	.	3.10
Chinese Fund	57.1	59.5	....	1.70
Precious Metal Fund	69.6	72.5	.	6.30
Vanguard Cmdy. Fd.	19.3	19.8	....	0.00
Financial Futures Fd.	32.4	33.7	.	—

Yamaichi Dynamic Mngt Co SA
10A Boulevard Royal, Luxembourg

Dynamic Gwth Fd	$8.62	—	+0.07	—

Money Market Trust Funds

	Nom	CAR	Int. Cr	Notice
The Money Market Trust 63 Qn Victoria St, EC4N 4ST. 01-236 0952				
Call Fund	14.65	15.32	6-mth	Call
7-day Fund	14.13	14.76	6-mth	7-day
Oppenheimer Money Management Ltd 66 Cannon St, EC4N 6AE. 01-236 1425				
Call Fund	13.98	14.46	6-mth	Call
7-day Fund	14.06	14.55	6-mth	7-day
Money Mngt. Acct.	13.62	14.33	3-mth	Call
Dollar	7.00	7.12	6-mth	2-day

Money Market Bank Accounts

	Nom	CAR	Int. Cr	Notice
Aitken Hume 90 City Road, EC1Y 2AY. 01-638 6070				
Treasury Acc	13.75	14.48	Qtr	Call
Mth. Int. Chq.	13.50	14.37	Mthly	Call
Bank of Scotland 38 Threadneedle St, EC2P 2EH. 01-628 8060				
Cheque Acc	13.20	14.03	Mthl	Call
Barclays Prime Account PO Box 125, Northampton 0604 252891				
High Int. Cheque	13.50	14.19	Qtrl	Call
Britannia Grp of Investment Companies 29 Finsbury Circus, EC2M 5QL. 01-588 2777				
Cater Allen	13.50	14.37	Mthl	Call
Charterhouse Japhet plc 1 Paternoster Row, EC4M 7DH. 01-248 3999				
Sterling	13.25	14.085	Mthl	Call
U.S. Dollar	8.0	8.3	Mthl	Call
German Marks	5.0	5.115	Mthl	Call
Swiss francs	2.0	2.018	Mthl	Call
Japanese Yen	5.0	5.115	Mthl	Call
Co-operative Bank 78-80 Cornhill EC3 01-626 6543 Ex 464				
Under £1,000	12.00	12.55	Qtrl	Call
Over £1,000	14.00	14.75	Qtrl	Call
Dartington & Co Ltd Dartington, Totnes, Devon TQ9 6JE. 0803 862271				
Money Mkt Acc	13.50	14.20	Qtrl	Call
Henderson/Bank of Scotland 38 Threadneedle St EC2P 2EH 01-628 8060				
Money Mkt. Cheque Acc.	13.20	14.03	Mthl	Call
Lombard North Central PLC 17 Bruton St, W1A 3DH. 01-409 3434				
Notice Dep	13.25	13.68	Rate	14-day
M & G/Kleinwort Benson 91-99 New London Rd, Chelmsford. 0245 51651				
High Int Cheque Acc.	13.50	14.40	Daily	Call
Midland Bank plc PO Box 2, Sheffield. 0742 20999 Ext 8738				
High Int Chq	13.39	14.06	Qtrl	Call
Provincial Trust (formerly Chodartons) 30 Ashley Rd, Altrincham, Cheshire, WA1 2DW 061-928 9011				
Cheque Acc	14.00	14.93	Mthl	Call
Save & Prosper/Robert Fleming 28 Western Rd, Romford RM1 3LB. 0708 66966				
High. Int. Bk. Acc.	13.36	14.30	Daily	Call
Premier Acc.	13.36	14.30	Daily	Call
Tyndall & Co 29-33 Princess Victoria St, Bristol BS8 4BX. 0272 732241				
Demand Acc	14.04	14.79	Qtrl	Call
Money Acc	13.75	14.47	Qtrl	Chq/7
J. Henry Schroder Wagg & Co Ltd Enterprise House, Portsmouth 0705 827733				
Special Acc	13.65	1.54	Mthl	Call
Over £10,000	13.90	14.82	Mthl	Call

Notes: CAR=compounded annual rate. Int Cr=frequency interest credited.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ♦ Yield column shows annualised rates of NAV increase.

OFFSHORE AND OVERSEAS

COMMODITIES AND AGRICULTURE

India unveils tea exports plan in bid to lift income

BY P. C. MAHANTI IN CALCUTTA

A MARKETING plan aimed at maximising foreign exchange earnings from tea has been announced by the Indian Tea Board.

Exports will be closely regulated to ensure that the quantity is kept within the 1985 ceiling of 220m kilos. Targets have been set for each quarter of the year to avoid bunching of exports and to phase them evenly according to lean and peak production periods.

For the first two quarters targets have been fixed at 40m kilos each, for the third quarter, the peak production period, at 80m and for the final quarter at 60m.

The targets and the performance will be reviewed quarterly by the tea board and representatives of the industry.

A major review will be undertaken midway in the year when there is a clear idea of the actual volume of output.

Following directives from New Delhi the tea board's plan stipulates that about 80 per cent or 175m kilos of the export tea will have to pass through the auctions. Quotas for export purchases of orthodox and CTC (cut tear and curl) grades will be fixed quarterly subject to minimum prices. The emphasis will be on exporting quality teas so that earnings will be higher.

Direct exports including a small quota for exports by consignments to auctions abroad, will be allowed up to a 45m kilo limit, subject also to minimum export prices to be determined with reference to price trends at auctions abroad.

The target for value added tea is 20m kilos, a figure exporters will be encouraged to exceed. The same freedom is given for Darjeeling tea exports for which no definite export quota has been fixed.

Limits for exports of orthodox and CTC teas have been fixed at 150m kilos and 70m respectively. The tea board chairman has been authorised, however, to make adjustments in the targets depending on demand and the amount produced.

This year's production target has been fixed at 655m kilos against 644m produced in 1984. Deducting exports of 220m kilos, some 435m kilos will be kept for the domestic market, which the board feels should be sufficient to meet a domestic demand, currently estimated at 415m kilos. The bulk of the output will be CTC grade.

Mumtaz Amad, chairman of the Indian Tea Association, said the output target was feasible provided the weather did not behave too badly.

Cocoa talks 'head for collapse'

BY DAVID AXTELL IN GENEVA

TALKS ON a new International Cocoa Agreement seem to be heading towards collapse because of failure to agree on price support levels.

The talks—involving 70 countries which account for most of the trade in cocoa—are due to continue until the end of this week. But so far there has been no sign of any dramatic change in position by either producing or consuming countries.

Ambassador Rene Montes of Guatemala, the conference chairman, said the talks were now at a critical stage. Price levels and price adjustments were fundamental for both sides.

Informally, cocoa producers and the European Community, which represents most consumers, have already hinted at their final positions on price stabilisation levels—and these are still 10 cents per lb apart.

Any compromise could be made even more difficult by disagreement on measures for periodic review of prices if they moved outside the target area.

Failure of the negotiations would probably not concern unduly the world's two largest producers, the Ivory Coast and Brazil, but would cause problems for countries like Ghana, which still relies on cocoa for most of its foreign exchange income.

Tight world supplies and the strong dollar have helped boost earnings recently, but with a return to surpluses expected in the long term prices could plummet and drastically hit the less diversified economies.

Most consuming countries feel they have nothing to gain from an agreement which is not economically viable and many would welcome a permanent return to free market forces.

The world's largest consumer, the United States, is making only a token appearance at the talks and has no intention of joining any pact, according to delegates.

The present agreement, whose price support provisions were suspended three years ago when it ran out of finance, is due to expire at the end of September, but could be extended for another 12 months.

Apart from price levels and review, the main details which remain to be decided relate to the proposed stock withholding scheme, which would act as a secondary measure to buffer stock action.

The EEC has suggested, for example, an upper limit of 100,000 tonnes in response to 200,000 specified in the package of measures proposed by Montes, while producers are pressing for a much higher amount.

The EEC is also strongly opposed to a producer proposal for introducing limits on imports by pact members from non-members.

Forecast of U.S. farm exports down again

By Nancy Dunne in Washington

INTENSE competition from other suppliers and modest foreign demand have led the U.S. Department of Agriculture to drop, for the second time in a month, its estimates of U.S. farm exports.

Exports for the year from October 1 1984 are now forecast at $34.5bn, down from last year's $38bn and the department's most recent estimate of $36.5bn.

The department said sluggish world demand for soyabeans, lagging wheat sales and a continued shift away from U.S. maize in major markets were to blame.

These developments have stemmed from record foreign production of most commodities, the continued strength of the dollar and continued slow economic growth in some major foreign markets.

Falling sales are hitting the U.S. farm belt at a time when thousands of farmers are already on the way to bankruptcy and the Reagan Administration has proposed dropping price support to boost export sales.

Meanwhile Britain's Grain Feed Trade Association protested at what it called a "stop-go policy" on grain export subsidies operated by the European Commission. Mr David Nelson-Smith, Gafta's president and managing director of Cargill UK, said world buyers were increasingly seeing the EEC as an unrealistic supplier.

● U.S. OIL STOCKS ended last week noticeably lower than last year, according to the American Petroleum Institute.

Crude oil stocks, while up 4.7m barrels over the previous week, stood at 324.9m barrels, 8.5m barrels behind the same week in 1984.

Distillate fuel stocks dropped 4.8m barrels during last week, to 118.6m barrels, almost 8m barrels below the previous year, while residual fuel stocks rose by 1.4m barrels to 48.5m barrels but they were more than 3.2m barrels behind 1984.

Total petroleum stocks fell 2.5m barrels during the week to 224.8m barrels, almost 12.7m barrels below the previous year.

Andrew Gowers explains changes to agricultural grants

EEC fields a new farm aid policy

AS THEY trooped out of the Charlemagne building in Brussels in the still small hours of yesterday morning, EEC farm ministers could be forgiven for rubbing disbelief out of their eyes as well as sleep.

For after more than a year of negotiations and the expenditure of enough hot air to raise several balloons, the Community has finally agreed an important new policy for structural aid to farmers.

The scheme, projected to cost 5.25bn European Currency Units over five years in line with a limit set by finance ministers on Monday, is designed in essence to give more of a social tinge to the Common Agricultural Policy by extending grant aid to smaller farmers than before.

It will also shift the focus of structural spending further towards the Comunity's impoverished Mediterranean regions, and for the first time open the way to special aid for young farmers, forestry projects and conservation.

Everyone involved agrees that the new programme—designed to complement EEC price support for farmers, which remains their main official prop and the most expensive item in the Community budget—is long overdue.

Increasing weight has been attached to structural farm support recently, as agricultural prices have come under pressure from the Community's chronic shortage of cash and from surplus production.

And the previous array of structural measures which the new policy is intended to replace—estimated to have cost 3.76bn Ecu over the last five years—has not been a roaring success.

More importantly, Community grants to aid modernisation of farms have only benefitted a small minority of large, intensive and relatively efficient farmers, have done nothing to narrow the income gap between rich and poor rural regions, and have played an important role in building up the Community's notorious mountains of unwanted food.

The Commission calculates that 27 per cent of EEC-aided investments under this scheme have been by farmers in West Germany and 16 per cent in the UK, compared with only 1 per cent in Italy.

This is largely because the programme's terms tied aid strictly to investments designed to boost a farm's profitability to a specified target.

As the exodus from the land continued unabated over the last decade, alternative employment opportunities in the towns wasted away, and the agricultural surpluses became less and less manageable, the emphasis on profitable production above all else has looked increasingly out of place.

The policy agreed yesterday aims to set structural aid on an entirely different course.

Income support for poor hill farmers is to be retained, and small farmers, widely recognised as having been particularly hard hit by the inevitable cuts in price support, are to gain increased access to funds. The emphasis is now on maintaining agricultural incomes and rendering individual farm units viable, rather than necessarily on increasing profits.

More attention is devoted to alternative uses of the countryside, with grants for tourism, rural craft industries and planting and improvement of woodland. And at British insistence, a clause has been inserted permitting national grant aid—and possibly eventual support from Community funds—for protection of the rural environment.

The CAP has always been seen, at least in part, as a social policy in continental Europe—if not in Britain. Yesterday's decision was an important step towards putting that view into practice.

If Mr Frans Andriessen, the new EEC farm commissioner who has launched a major review of the CAP, has his way, the Community will be looking hard at other moves in the direction of income support in the coming months.

YESTERDAY'S agreement was something of a milestone in the Community's efforts to rein in farm spending, as it was the first time that farm ministers had agreed to abide by an expenditure limit set by their finance minister colleagues

Meeting separately on Monday, the finance council ruled that the structures programme should not cost more than 5.25bn Ecu, a 10 per cent cut from Commission proposals put before agriculture ministers, and a substantially greater reduction from original spending plans of more than 8bn Ecu.

Following a debate of theological complexity, a majority of farm ministers agreed to the cuts, which were achieved by what one senior official described as "sleight of hand" in adjusting spending estimates.

But France, for one remained distinctly uneasy about the whole business of what is termed "budgetary discipline." M Michel Rocard—the French farm minister and on previous occasions a forthright oponent of giving finance ministers a say on farm spending—voted against

Tungsten ore marker price call

BY BOONSONG K'THANA IN BANGKOK

REPRESENTATIVES of nine tungsten producing and exporting countries last night ended their two-day meeting here with an agreement to set export price ranges of the metal in an attempt to prop up falling prices.

That appeared to be the only concrete decision after they failed to agree on forming an association of tungsten producing and exporting countries, the proposed establishment of a buffer stock, export controls and production cut-backs.

The mechanism of the "indicative price" of tungsten, to be universally adopted by the producing and exporting countries, will be dealt with during the group's next meeting to be held in September in Bangkok.

An indicative price of $80-$85 per tonne unit of wolframite was suggested. The present London quotation is about $75-$78.

The conference chairman, Sivavong Changkasiri, director-general of Thailand's Department of Mineral Resources, said it had been felt there were too many problems in forming an association and taking the other measures proposed.

The nine tungsten producers—Australia, Bolivia, Peru, Portugal, Zaire, Thailand, Brazil, France and China (the world's largest producer)—have agreed to adopt self restraint to avoid over-production problems, Mr Sivavong said.

Tungsten prices had plunged from around $140 in 1981 to about $68-$73 by the end of 1984. Economic recession, the continued tungsten release from the U.S. stockpile, destocking, and recycling of tungsten are blamed for depressing tungsten prices.

Soviet aid for alumina plant

NEW DELHI—The Soviet Union has agreed to give India financial and technical help to set up a bauxite and alumina complex in the southern state of Andhra Pradesh, India's Department of Mines said.

Experts from both countries will determine export prices and the building schedule for a mine at Vishakapatnam with an initial capacity of 2.5m tonnes of bauxite a year.

Moscow will buy 1m tonnes of bauxite and 200,000 tonnes of alumina a year from 1987 when a 800-tonne a year alumina plant in Orissa state is commissioned. Reuter

LONDON MARKETS

LONDON'S commodity markets were relatively quiet yesterday in the absence of a positive lead from currency factors, which have been the dominant influence recently.

London Metal Exchange base metals prices ended down on the day with the exception of zinc, which continued to react to concern about a nearby supply shortage.

On the cocoa futures market prices rose early on reflecting overnight gains in New York and trade buying. Most of the gains were lost, however, following reports from Geneva that the International Cocoa Agreement talks there seemed to be heading for a collapse.

MAIN PRICE CHANGES

In tonnes unless otherwise stated

METALS	Mar. 13 1985	+ or —	Month ago
Aluminium	£1100	......	£1100
Free Mkt	$1110/130	—15	$1165/1180
Copper			
Cash h Grade	£1258.5	—4	£1305.75
3 mths	£1277.75	—17.25	£1331.75
Gold troy oz	$293.3	—2.75	$303
Lead Cash	£314	—4.5	£343.5
3 mths	£323.25	—5.5	£353.5
Nickel			
Free Mkt	250/260c	—1	228/256c
Palladium oz	$110.75	—0.25	$128.50
Platinum oz	$249.75	+4	$273.00
Quicksilver	$298/300	......	$295/305
Silver troy oz	513.35p	+4.75	570.40p
3 mths	530.15p	+5.15	589.00p
Tin cash	£10,145	......	£9,995
3 mths	£10,142.5	+2.5	£10,017.5
Tungsten	$76.65	......	$78.27
Wolfram 22 04lb	$75/78	......	$70/74
Zinc	£825	+7	£780.5
3 mths	£799.5	—6.25	£779.25
Producers	$800-840	......	$900

OILS	Mar. 13 1985	+ or —	Month ago
Coconut (Phil)	$905v	—20	$750
Palm Malayan	$620y	+20	$575
SEEDS			
Copra Phil	$530v	—15	$480
Soyabean (U.S.)	$244.75	......	$242.6
GRAINS			
Barley Fut. May	£117.40	—0.55	£115.45
Maize	£149	......	£148.00
Wheat Fut. May	£119.35	+0.75	£118.10
No. 2 Hard Wint.	‡	—	‡
OTHERS			
Cocoa Ft. May	£2092.5	+8	£2215.5
Coffee Ft. May	£2429	......	£2401
Cotton A Index	56.75c	—0.15	59.45c
Gas Oil April	$223.75	—0.5	$229.75
Rubber (kilo)	69.5p	—0.5	65p
Sugar (raw)	$108v	—1	$108
Wooltops 64s	522pkilo	......	525pkilo

‡ Unquoted. w April-May. x April. y May. v March-April. † per 75-lb flask. N Nominal. c Cents a pound.

INDICES

FINANCIAL TIMES

Mar. 13	Mar. 11	M'th ago	Year ago
298.70	299.61	298.29	301.12

(Base: July 1 1952 = 100)

REUTERS

Mar. 13	Mar. 12	M'th ago	Year ago
2013.6	1999.5	2019.4	1979.1

(Base: September 18 1931 = 100)

MOODY'S

Mar. 12	Mar. 11	M'th ago	Year ago
949.2	950.8	—	—

(Base: December 31 1931 = 100)

DOW JONES

Dow Jones	Mar. 12	Mar. 11	Month ago	Year ago
Spot	116.28	116.30	—	—
Fut.	120.49	120.41	—	—

(Base: December 31 1974 = 100)

OIL

The drop in stored products in Tuesday's API statistics pushed Brent prices higher. Values fell steeply on the news of the abolition of BNOC but quickly recovered. Nymex was 25c up by 1 pm EST. In the petroleum products market gas oil weakened due to the combination of the BNOC announcement and the continued absence of March buyers. High sulphur heavy fuel weakened due to poor demand and good supply. Low sulphur material was stable and quiet —Petroleum Argus, London.

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)— April		
Arab Light	27.65-27.75	—
Arab Heavy	26.55-26.65	—
Dubai	27.00-27.05	—0.10
Brent Blend	27.70-27.75	+0.125
W.T.I. (1pm est)	28.80-27.85	+0.025
Forcados (Nigeria)	28.00-28.20	—
Urals (cif NWE)	—	—
PRODUCTS—North West Europe Prompt delivery cif ($ per tonne)		
Premium gasoline	247-249	—
Gas Oil	236-238	—5
Heavy fuel oil	170-174	—1

Petroleum Argus estimates

GAS OIL FUTURES

Month	Yest'day's Close	+ or —	Business Done
	$ U.S. per tonne		
March	235.50	—1.00	237.25-34.25
April	223.75	—0.50	225.25-21.75
May	220.00	—0.25	221.50-18.00
June	218.50	+0.25	219.75-17.75
July	218.50	—	219.75-18.25
Aug	220.75	+0.25	—
Sep	223.75	+3.75	—

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	1257-8	—10	1258-9	—4
3 months	1275-6	—7.25	1277.5-8	—1.5
Settlem't.	1258	—10	—	—
Cathodes.				
Cash	1242-3	—25.5	1243-6	—1.5
3 months	1267-8	—8	1269-72	+1.5
Settlem't.	1243	—24	—	—

Amalgamated Metal Trading reported that in the morning cash higher grade traded at £1,258.5, 57, three months £1,280, 79.5, 80, 78, 77, 76, 75. Cathodes: Cash £1,242, three months £1,267. Kerb: Higher Grade: Three months £1,275, 75.5, 76, 77. Afternoon: Higher Grade: Three months £1,276, 75, 74.5, 74, 78, 77, 77.5, 78, 77.5. Kerb: Higher Grade: Three monthhs £1,281, 80.5, 80, 79, 80. Turnover: 27,800 tonnes. U.S. Producers: 66.625-67 cents a pound.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	10145-55	—17	10151-5	—4.5
3 months	10145-55	—12.5	10150 5	—5
Settlem't.	10155	—15	—	—
Standard.				
Cash	10140 5	+4.5	10140-50	—
3 months	10145-5	+15	10149-5	+2.5
Settlem't.	10145	+5	—	—
Straits. E.	$29.15	—	—	—

Tin — Morning: Standard: Cash £10,140, three monthsh £10,140, 50, 45, 40, 45. Kerb: Standard: Three months £10,135, 40. Afternoon: Standard: Three months £10,150, 45. High Grade: Cash £10,155. Kerb: Standard: Cash £10,150, three monthsh £10,140, 35, 30. High Grade: Three months £10,150. Turnover: 1,030 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	318-.25	—2.25	313.5-4.5	—4.5
3 months	326.5-7	—1.5	323-.5	—5.5
Settlem't	318.25	—2.5	—	—

Lead—Morning: Cash £318, 17.5, 18, three months £328, 27, 26.5. Kerb: Three months £327. Afternoon: Three monthsh £327.25, 27, 26, 25, 24, 23, 23.5. Kerb: Three months £324, 25, 25.5, 26. Turnover: 13,050 tonnes. U.S. Spot: 17-22 cents a pound.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	817-9	—7.5	824-6	+7
3 months	797.5-8	—3	799-800	+1.25
Settlem't	819	—8	—	—

Zinc—High Grade Official/Unofficial prices: Cash am £828-£830, pm £832-£835, three months am £830-£833, pm £830-£833. Settlement: £830. Morning: Three months £798, 99, 98, 97, 96. Kerb: Three months £797. High Grade: Three months £832. Afternoon: Three months £799, 99.5, 800. Kerb: Three months £801, 2, 3, 4, 5, 6, 5, 4. Turnover: 10,500 tonnes. U.S. Prime Western: 45-45.75 cents a pound.

ALUMINIUM

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	991-2	—14	992.5-3.5	—5.5
3 months	1026.5-7.5	—12.7	1029-30	—6.75

Aluminium—Morning: Three months £1,030, 30.5, 29, 28, 27, 26.5, 27. Kerb: Three months £1,028, 27, 28, 28.5, 28. Afternoon: Three months £1,033, 32.5, 30, 29, 28.5, 29. Kerb: Three months £1,031, 32, 33, 34, 33.5, 33, 32, 31. Turnover: 13,850 tonnes.

GOLD

Gold rose $5¾ to $293¾-293¾ on the London bullion market yesterday. The metal opened at $289¾-290¼ and was fixed at $290.10 in the morning and $290.25 in the afternoon. It touched a low of $289½-290, and a peak of $293¾-294¼, reflecting continued nervousness about the trend of the dollar on the foreign exchanges, after the recent setback for the currency.

GOLD BULLION (fine ounce) Mar. 13

Close	$293¼-293¾	(£269¼-270¼)
Opening	$289¾-290¼	(£265¾-267¼)
M'n'g fix.	$290.10	(£266.563)
Aft'n'n fix.	$290.25	(£267.758)

GOLD AND PLATINUM COINS

Kr'g'r'nd	$303¾-304¼	(£279¾-280¼)
½ Krug.	$156¼-157	(£144-144½)
¼ Krug.	$79¾-80½	(£73½-74¼)
1/10 Krug.	$32¼-33	(£29¾-30½)
Mapleleaf	$304-304½	(£280-280½)
New Sov.	$69¾-70¼	(£64¼-64¾)
½ New Sov	$42-42¾	(£38¾-39¼)
Old Sov.	$70-71½	(£64¼-65¾)
$20 Eagle	$460-490	(£423½-451¼)
Noble Plat	$256¼-259½	(£236¼-239)

SILVER

Silver was fixed 4.75p an ounce higher for spot delivery in the London bullion market yesterday at 513.35p. U.S. cent equivalents of the fixing levels were: spot 557c, up 5.4c; three-month 569.1c, up 5.4c; six-month 583.9c, up 5.6c; and 12-month 613.57c, up 5.17c. The metal opened at 511-514p (555-558c) and closed at 518-521p (563-566c).

SILVER per troy	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	513.35p	+4.75	527p	+16.5
3 months	530.15p	+5.15	545.5p	+17.7
6 months	545.55p	+5.70	—	—
12 months	574.05p	+6.80	—	—

LME—Turnover: 246 (128) lots of 10,000 oz.

Morning: 1st ring three months 530.0, 2nd ring three months 530.5. Kerb: untraded. Afternoon: 1st ring three months 540.5, 2nd ring three months 543, 44, 46, 45, 45.5. Kerb: three months 543.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	4682-7	—23	4680-90	—12.5
3 months	4740-5	—18.5	4745-55	—7.5

Nickel—Morning: Cash £4,695, 90, 85, three months £4,750, 45. Kerb: Three months £4,745. Afternoon: Three months £4,770, 60. Turnover: 948 tonnes.

COCOA

Futures were initially weak on commission house selling but rallied sharply on a rumoured agreement in Geneva, manufacturer price fixing and the financial problems of a Brazilian shipper. Thereafter the market traded extremely nervously. Some light origin activity was noted, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
March	2105-2106	—9.5	2138-2095
May	2092-2093	+8.0	2115-2085
July	2070-2071	+3.5	2086-2065
Sept.	2063-2065	+4.5	2075-2048
Dec.	1965-1966	+4.0	1980-1960
Mar.	1957-1964	+3.5	1962-1955
May	1956-1960	+1.5	1974

Sales: 5,373 (5,595) lots of 10 tonnes.

ICCO indicator prices (U.S. cents per pound). Daily price for March 13: 97.73 (same): five-day average for March 14: 97.29 (96.84).

COFFEE

During a quiet morning prices were slightly lower and remained in a narrow range, reports Drexel Burnham Lambert. A disappointing New York performance offered little incentive and small price fluctuations reflected currency movements.

COFFEE	Yesterd'ys Close	+ or —	Business Done
March	2365-75	—9.5	2380-75
May	2428-30	—	2434-22
July	2468-70	+2.5	2472-61
Sept.	2498-99	+3.0	2499-90
Nov.	2500-05	+10.0	2500-87
Jan	2458-65	+7.0	2463-50
March	2410-40	+2.5	—

Sales: 2,363 (6,342) lots of 5 tonnes.

ICO indicator prices (U.S. cents per pound) for March 12: Comp daily 1979 132.72 (132.51); 15-day average 131.01 (130.93).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 38 tonnes. Slow offtake brought relatively little demand. Minor orders were for West African qualities.

GRAINS

Old crop wheat reached 90p up on shipper buying demand against lack of physical offers. Profit-taking trimmed the gains towards the close. Barley found early mixed support. New crops were neglected and eased gently, reports Muirpace.

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yesterdys close	+ or —
Mar.	116.30	+0.30	114.65	+0.75
May	119.35	+0.75	117.40	+0.55
July	123.05	+0.30	—	—
Sept.	97.80	—0.10	97.25	—0.25
Nov	101.05	—0.05	100.90	—0.50
Jan	104.75	—	104.30	—0.20

LONDON GRAINS—Wheat: U.S. No. 1 Dark Northern Spring, 15 per cent: March 180, April/May 165, June 166.25, July 166.40 transhipment East Coast. U.S. No. 2 Soft Red Winter: Apr/May 160, July 148. EC French: July 110.25-119. cif. free out Southwest Coast. English feed, fob: May 121, Aug/Sept 97.50, sellers East Coast. Maize: U.S. No. 3 Yellow/French transhipment East Coast: March 149. Barley: English feed, fob: March 117.50 seller Boston. Rest unquoted.

HGCA — Locational ex-farm spot prices. Feed barley: Eastern 112.30, E. Mids 113.30, N. East 114.00, Scotland 111.80. The UK monetary coefficient for the week beginning Monday March 18 will remain unchanged.

Business done—Wheat: March 116.25-5.90, May 119.50-8.90, July 123.10-2.50, Sept 97.90-7.80, Nov 101.15-1.10, Jan 104.80 only. Sales: 231 lots of 100 tonnes. Barley: March 114.40-4.05, May 117.50-7.00, Sept and Nov untraded, Jan 104.65 only. Sales: 121 lots of 100 tonnes.

PIGMEAT

Trade and speculative buying pushed prices higher in thin conditions, reports CCST Commodities.

Month	Yesterdays close	Previous close	Business done
	p. per kilo (deadweight)		
April	109.50	106.70	110.20-108.80
June	107.60	106.90	107.80-106.50
Aug.	102.80	105.20	105.10-102.80
Oct	106.80	106.80	—
Nov	109.70	109.70	110.00-109.70
Feb	100.10	100.00	—

Sales: 82 (8) lots of 50 carcases, 3,250 kg.

POTATOES

All positions were firmer. New crops rose in the morning and while April eased off the highs in the afternoon, May continued to attract buying, reports Coley and Harper.

Month	Yesterday's close	Previous close	Business Done
	£ per tonne		
April	45.50	43.00	44.40-43.10
May	49.10	47.60	49.80-47.70
Nov	70.80	69.90	71.00-70.00
Feb	80.30	79.00	80.50
Apr	92.40	91.10	92.50

Sales: 384 (284) lots of 40 tonnes.

RUBBER

PHYSICALS — The London market opened slightly easier, attracted little interest throughout the day, and closed quiet, reports Lewis and Peat. Closing prices (buyers): spot 69.50p (70.00p): April 74.50p (75.00); May 75.00p (75.50p). The Kuala Lumpur fob price for April RSS No 1 was 190.5 (191.5) cents a kg and for SMR 20 was 190.0 (190.5).

SOYABEAN MEAL

The market opened unchanged, reports T. G. Roddick. After one of the quietest days of late prices picked up towards the close.

	Yesterday close	+ or —	Business Done
	£ per tonne		
April	147.7-147.9	+0.20	147.7-147.1
June	139.5-139.8	+0.30	139.2-139.0
August	140.8-140.8	+0.30	—
October	145.9-146.0	—0.25	146.1
Dec	151.8-152.5	+0.50	—
Feb	155.5-158.0	+0.50	—
April	156.5-158.0	+0.50	—

Sales: 127 (188) lots of 20 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar $108.00 (£99.00), down $1.00 (down £2.00) a tonne for March-April delivery. White sugar $1300.00, unchanged.

The market was initially lower but after India invited offers of 6 cargoes of whites for April-June delivery prices quickly rallied $4.00, reports C. Czarnikow.

No. 6 Contract	Yest'day's close	Previous close	Business done
	$ per tonne		
May	115.4-115.8	111.4-111.8	116.0-110.4
Aug	121.8-121.8	117.2-117.4	121.2-116.8
Oct	128.4-126.8	123.8-123.2	127.2-121.8
Dec	132.4-134.0	128.8-130.2	132.8-128.8
Mar.	145.4-147.0	145.8-145.4	147.8-142.8
May	151.4-152.4	148.2-148.4	152.4-147.8
Aug	157.0-158.8	155.8-157.8	158.0-155.0

U.S. MARKETS

HEATING OIL opened firm on a bullish report of industry distillate stocks but broke midday on the announcement that BNOC would be abolished, reports Heinold commodities. Heavy buying in the spot ahead of the close rallied the market for sizeable gains. Rumours of Soviet buying firmed the soyabean complex, especially soyabeans and meal. Wheat and maize advanced moderately on active commercial buying on reports that the large export terminal elevator in Argentina was seriously damaged. Gold and silver were mixed as comission house liquidation developed late in the session following the weaker tone to currencies. Copper continued featureless with light buying attracted by the steady tone to precous metals. Sugar firmed on reports of a buying tender by India. Cocoa rallied on fears of default by a Brazilian shipper. Coffee weakened on the high level of exchange stocks in New York. Cotton continued firm reflecting rumours that a major trade house was preparing to decertify exchange stocks.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
March	48.15	48.50	48.40	48.50
April	48.35	—	—	48.75
May	48.80	49.20	48.75	49.20
July	49.65	50.05	49.80	50.05
Sept	50.50	50.75	50.75	50.90
Dec	51.75	—	—	52.15
Jan	52.15	—	—	52.55
March	53.00	—	—	53.40
May	53.80	—	—	54.20
July	54.60	—	—	55.00

COCOA 10 tonnes, $/tonnes

	Latest	High	Low	Prev
March	2210	2210	2135	2124
May	2210	2236	2156	2148
July	2105	2135	2056	2065
Sept	2090	2110	2042	2040
Dec	2025	2035	1995	2000
March	2000	2026	2000	1986
May	[illegible]	[illegible]	[illegible]	[illegible]

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
May	66.20	66.24	65.20	65.03
July	65.38	65.55	65.20	64.97
Oct	65.22	65.40	65.20	64.95
Dec	65.50	65.50	65.20	65.09
March	66.50	66.60	66.35	66.05
May	66.95	66.90	66.81	66.63
July	67.10	67.00	67.00	66.83

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrels

	Latest	High	Low	Prev
April	28.12	28.22	27.14	27.92
May	27.52	27.65	27.10	27.30
June	27.07	27.22	26.68	26.91
July	26.85	26.98	26.41	26.67
August	26.75	26.75	26.68	26.55
Sept	26.70	26.70	26.70	26.48
Oct	26.75	26.75	26.60	26.51
Nov	26.67	26.70	26.60	26.54
Dec	26.75	26.85	26.60	26.54
Jan	26.60	26.60	26.60	26.54

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
March	291.1	290.4	290.3	291.2
April	291.9	297.4	290.7	292.3
May	294.0	—	—	294.4
June	296.1	302.0	294.7	296.5
August	300.7	305.0	299.5	301.1
Oct	306.6	310.0	307.1	306.0
Dec	311.1	317.0	309.6	311.4
Feb	316.5	320.3	317.3	316.8
April	322.1	324.5	323.5	322.4
June	328.1	331.5	331.5	328.3
August	334.5	337.6	337.6	334.7
Oct	340.9	—	—	341.1
Dec	347.3	349.0	349.0	347.5

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Latest	High	Low	Prev
April	75.15	75.60	74.60	74.68
May	72.90	73.06	71.75	72.25
June	71.25	71.85	70.65	71.26
July	71.00	71.30	70.60	71.14
August	71.35	—	—	71.80

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
March	244.4	—	—	245.4
April	245.3	250.8	244.5	246.3
July	249.8	255.8	248.5	251.3
Oct	255.6	261.0	256.0	257.3
Jan	262.4	264.0	262.5	264.1

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
March	163.75	64.00	63.60	64.40
May	165.90	66.65	65.90	67.05
Sept	166.25	67.00	66.25	67.45
Nov	165.05	—	—	66.25
Jan	163.90	—	—	64.90
March	164.10	—	—	64.90
May	164.10	—	—	64.90
July	164.10	—	—	64.90

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
April	63.67	64.25	63.40	64.37
June	66.50	67.02	66.35	67.12
August	65.87	66.07	65.75	66.17
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Feb	[illegible]	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]	[illegible]

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
April	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
August	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Feb	[illegible]	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]

MAIZE 5,000 bu min, cents/56lb-bushel

	Close	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]

SOYABEANS 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
August	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Nov	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
August	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
August	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]

WHEAT 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]

SPOT PRICES—Chicago loose lard 24.00 (23.50) cents per pound. New York tin 506.0-25.0 (same) cents per pound. Handy and Harman silver bullion 571.0 (557.0) cents per troy ounce.

OTHER MARKETS

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. March 582.0, 600.0, 582.0-580.0. May 625.0, 627.0, 624.0; July 625.0, 627.0, 629.0-622.0; Oct 601.0, 604.5, untraded; Dec 606.0, 606.0; March 610.0, 614.0, 615.0-614.0; May 618.0, 621.0, 621.0-620.0; July 620.0, 625.0, untraded. Sales: 57.

LONDON NEW ZEALAND CROSSBREDS—Close (in order buyer, seller, business). New Zealand cents per kg. March 499, 505, untraded; May 506, 507, 507-506; Aug 532, 534, 534-533; Oct 535, 539, 536-535; Dec 535, 536, 536-535; Jan 536, 538, 536-537; March 545, 548, 549; May 560, 563, 554-553; Aug 564, 566, 564. Sales: 57.

No. 6 Contract	Yest'day's close	Previous close	Business done
	$ per tonne		
May	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]
Mar	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]

MEAT

SMITHFIELD—Pence per pound. Beef—Scotch killed sides 74.0-81.0; English hindquarters 92.0-98.0, forequarters 52.0-58.5. Veal—Dutch hinds and ends 120.0-127.0. Lamb—English small 92.0-99.0, medium 90.0-94.0, heavy 74.0-80.0; Scotch heavy 73.0-79.0; Imported: New Zealand PL (new season) 70.0-71.0, PL (old season) 67.0-68.0, PX under 100 lb 49.5-69.5; 100-120 lb 61.0-68.0, 120-160 lb 41.0-46.0.

COCOA—(FFr per 100 kg): March 2310-2345, May 2295-2330, July 2220 bid, Sept 2251-2280, Dec 2125 bid, March 2120 bid, May 2115 bid.

ROTTERDAM

WHEAT—(U.S. $ per tonne): U.S. two soft red winter April 170.00, May 162.00. U.S. northern spring 14 per cent protein March 180.50, April 177.50, May 177.50, June 165, July 166, Aug 166.25. U.S. northern spring 15 per cent protein April/May 176.50, Sept 178.50, Oct 182.75. U.S. three hard amber durum April/May 176.50, June 178, July 178, Aug 180. Canadian one western amber durum April/May 180, June/July 180, Sept 185.

PARIS

SUGAR—(FFr per tonne): May 1386-1390, Aug 1431-1436, Oct 1480-1488, Dec 1545-1560, March 1650-1660, May 1695-1710.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

$ firm, £ unmoved by BNOC news

The dollar finished firmer, after a quiet day on the foreign exchanges. Dealers were reluctant to take out new positions, awaiting further signs of whether the high level of U.S. Government borrowing keeps the dollar firm, or the strong dollar begins to damage economic prospects, leading to a setback in the rate of U.S. growth.

Further guidance on economic growth is expected from industrial production figures tomorrow and the flash estimate of first quarter gross national product next week, but yesterday's figure on February retail sales did nothing to support the view about economic slowdown. Sales rose by 1.4 per cent, against expectations of an increase of about half that figure, roughly in line with the January rise, which was revised down to 0.5 per cent from 0.7 per cent yesterday.

In spite of distortions caused by make-up day for New York banks, the dollar was also supported by the high level of nearly 9 per cent for Federal funds.

The dollar rose to DM 3.3580 from DM 3.3450; FFr 10.2550 from FFr 10.2250; and SwFr 2.8485 from SwFr 2.8345, but eased to Y260.15 from Y260.20 against the strong Japanese yen.

On Bank of England figures the dollar's index rose to 154.2 from 153.7.

STERLING — Trading range against the dollar in 1984-85 is 1.4940 to 1.0525. February average 1.0933. Exchange rate index fell 0.2 to 71.6, the lowest level of the day. It opened at 71.7 and remained at that level, or at 71.8 throughout, before falling at the close.

Sterling shrugged off any initial weakness in reaction to news about the abolition of the British National Oil Corporation. After a slight downward move on the announcement, the pound moved up and was well above $1.09 in New York after the London close. At the finish of trading in London sterling was down 30 points at $1.0855-$1.0865, after trading within a narrow range of $1.0800 to $1.0930. The pound closed unchanged at DM 3.6450, and rose to SwFr 3.0975 from SwFr 3.0950, but fell to FFr 11.1250 from FFr 11.13, and to Y282.50 from Y283.25.

D-MARK — Trading range against the dollar in 1984-85 is 3.4510 to 2.5535. February average 3.3008. Exchange rate index 118.6 against 121.2 six months ago.

The D-mark gained ground against the dollar in nervous, and directionless Frankfurt trading. The U.S. currency fell to DM 3.3535 from DM 3.3620, but finished above the opening level of DM 3.3430. There was no indication of intervention by central banks on the open market, and the Bundesbank did not intervene when the dollar rose to DM 3.3540 from DM3.3520 at the Frankfurt fixing. The unexpectedly large rise in February U.S. retail sales had little impact, as the market remained nervous about interest rate trends, and the possibility of an increase in the Bundesbank's leading interest rates at today's regular central council meeting.

STERLING EXCHANGE RATE INDEX (Bank of England)

	March 13	Previous
8.30 am	71.8	72.1
9.00 am	71.7	72.2
10.00 am	71.8	71.7
11.00 am	71.7	71.6
Noon	71.7	71.4
1.00 pm	71.8	71.7
2.00 pm	71.7	71.6
3.00 pm	71.7	71.7
4.00 pm	71.6	71.8

New York rates

	March 13	Prev. close
£ Spot	$1.0805-1.0825	$1.0860-0870
1 month	0.52-0.50pm	0.51-0.49pm
3 months	1.52-1.20pm	1.11-1.08pm
12 months	1.70-1.55pm	1.43-1.33pm

Forward premiums and discounts apply to the U.S. dollar.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu March 13	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	44.7097	−0.43	+0.16	±1.5622
Danish Krone ...	8.14104	7.95466	−2.29	−1.70	±1.6419
German D-Mark	2.24184	2.22499	−0.75	−0.16	±1.1475
French Franc ...	6.87456	6.79874	−1.10	−0.51	±1.3669
Dutch Guilder...	2.52595	2.51700	−0.35	+0.24	±1.5171
Irish Punt	0.72569	0.712994	−1.75	−1.16	±1.6703
Italian Lira	1403.49	1392.28	−0.80	−0.80	±4.0410

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

POUND SPOT—FORWARD AGAINST POUND

March 13	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.0800-1.0930	1.0855-1.0865	0.52-0.49c pm	5.58	1.22-1.17pm	4.40
Canada	1.5051-1.5109	1.5070-1.5110	0.47-0.38c pm	3.38	0.95-0.81pm	2.33
Nethlnd.	4.11-4.13	4.11½-4.12½	2½-2¼c pm	7.10	6½-6¼pm	6.25
Belgium	73.03-73.42	73.10-73.20	28-21c pm	3.85	58-51pm	2.98
Denmark	12.99¾-13.05¼	13.03½-13.04½	2½-1½ore pm	1.84	6¾-5¼pm	1.84
Ireland	1.1655-1.1696	1.1665-1.1675	0.06p pm-0.11d	−0.26	0.13pm-.33d	−0.34
W. Ger.	3.63⅞-3.65	3.64-3.65	2⅝-2½pf pm	8.44	7-6¾pm	7.54
Portugal	198¾-203¾	201-203	120-455c dis	−17.08	440-1320dis	−17.43
Spain	200¾-201¾	201¼-201¾	35c pm-10 dis	−0.74	35pm-15dis	−0.20
Italy	2,275½-2,286½	2,283¼-2,284¼	2 lire pm-1 dis	−0.26	5-9dis	−0.36
Norway	10.40-10.47½	10.44½-10.45½	1⅝-⅞ore pm	1.44	2⅞-1⅞pm	0.84
France	11.11-11.16¼	11.12-11.13	3⅝-3⅛c pm	3.85	7¾-6¾pm	2.83
Sweden	10.34⅞-10.39½	10.38-10.39	1½-⅝ore pm	1.08	¼pm-½dis	−0.05
Japan	281½-283	282-283	1.92-1.82y pm	7.94	5.25-5.10pm	7.33
Austria	25.50-25.64	25.52-25.62	17½-15¼gro pm	7.74	43⅞-41pm	6.64
Switz.	3.08¼-3.10¼	3.09¼-3.10¼	2½-2¼c pm	8.96	6⅞-6pm	7.91

Belgian rate is for convertible francs. Financial franc 73.70-73.80.
Six-month forward dollar 1.54-1.49c pm. 12-month 1.65-1.55c pm.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

March 13	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.0800-1.0930	1.0855-1.0865	0.52-0.49c pm	5.58	1.22-1.17pm	4.40
Ireland†	0.9255-0.9335	0.9290-0.9305	0.50-0.40c pm	5.80	1.25-0.95pm	4.73
Canada	1.3870-1.3925	1.3880-1.3900	0.24-0.27c dis	−2.20	0.70-0.75dis	−2.09
Nethlnd.	3.7760-3.8105	3.7930-3.7940	0.48-0.41c pm	1.45	1.80-1.76pm	1.88
Belgium	67.10-67.65	67.30-67.40	9½-10½c dis	−1.76	25-27dis	−1.53
Denmark	11.91-12.03½	11.99½-12.00½	3¼-3¾ore dis	−3.50	5-5⅞dis	−1.75
W. Ger.	3.3330-3.3655	3.3575-3.3585	0.77-0.72pf pm	2.67	2.55-2.50pm	3.01
Portugal	183½-186	184-186	200-500c dis	−22.76	600-1400dis	−21.68
Spain	184.45-186.10	185.40-185.50	60-70c dis	−4.21	160-185dis	−3.72
Italy	2,088-2,107	2,103-1,104	9½-10 lire dis	−5.59	28-28¼dis	−5.42
Norway	9.57-9.65	9.60¼-9.61¼	3-3½ore dis	−4.06	8¼-8¾dis	−3.54
France	10.20-10.28½	10.25¼-10.25¾	1.75-1.85c dis	−2.11	4.70-5.00dis	−1.89
Sweden	9.52-9.57¾	9.54¼-9.54¾	3½-4ore dis	−4.71	9¾-10¼dis	−4.19
Japan	259.15-260.60	260.10-260.20	0.52-0.48y pm	2.31	1.89-1.84pm	2.87
Austria	23.48½-23.66¾	23.54-23.59	4½-4gro pm	2.16	15-13pm	2.38
Switz.	2.8230-2.8650	2.8480-2.8490	0.80-0.74c pm	3.25	2.53-2.47pm	3.51

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 67.85-67.95.

OTHER CURRENCIES

Mar. 13	£	$		£ Note Rates
Argentina Peso..	318.18-318.76	292.99-293.24	Austria	25.45-25.75
Australia Dollar.	1.5595-1.5625	1.4390-1.4400	Belgium	73.10-73.90
Brazil Cruzeiro...	4,417-4,444	4,068-4,088	Denmark	12.97-13.10
Finland Markka.	7.5425-7.5605	6.9500-6.9550	France	11.05-11.18
Greek Drachma.	152.05-155.10	140.39-143.42	Germany	3.62½-3.66½
HongKong Dollar	8.4520-8.4620	7.8010-7.8030	Italy	2265-2305
Iran Rial	104.10*	96.35*	Japan	282-285
KuwaitDinar(KD)	0.3295-0.3305	0.30515-0.30538	Netherlands	4.10-4.14
Luxembourg Fr.	73.10-73.20	67.30-67.40	Norway	10.40-10.50
Malaysia Dollar.	2.7990-2.8090	2.5835-2.5865	Portugal	195-205
New Zealand Dlr.	2.4000-2.4400	2.2175-2.2420	Spain	196¾-205
Saudi Arab Riyal	3.9005-3.9075	3.6100-3.6110	Sweden	10.31-10.41
Singapore Dollar	2.4525-2.4585	2.2635-2.2675	Switzerland	3.07½-3.10½
Sth African Rand	2.1615-2.1765	2.0000-2.0080	United States	1.07½-1.09½
U.A.E. Dirham	3.9675-3.9745	3.6720-3.6730	Yugoslavia	275-295

* Selling rate.

CURRENCY MOVEMENTS

Mar. 13	Bank of England Index	Morgan Guaranty Change %
Sterling	71.6	−17.9
U.S. dollar	154.2	+38.5
Canadian dollar	88.6	−5.8
Austrian schilling	108.5	+5.3
Belgian franc	87.6	−10.8
Danish Kroner	75.3	−5.8
Deutsche mark	118.6	+5.6
Swiss franc	132.9	+5.8
Guilder	108.9	+2.3
French franc	62.8	−16.5
Lira	45.1	−15.9
Yen	155.4	+11.2

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

Mar. 13	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.881810	0.610519
U.S. $	8	0.957391	0.663940
Canadian $	11.27	*	0.921548
Austria Sch.	4½	22.5626	15.6424
Belgian Fr.	11	64.5371	44.7097
Danish Kr.	7	11.4503	7.95466
Dmark	4½	3.21106	2.22499
Guilder	5½	3.63326	2.51700
French Fr.	9½	9.81316	6.79874
Lira	16½	N/A	1392.28
Yen	5	249.015	172.392
Norway Kr.	8	9.19564	6.37050
Span'h Pta.	—	177.540	123.061
Swedish Kr.	9	9.14060	6.33233
Swiss Fr.	4	2.72566	1.88559
Greek Dr'ch	20½	135.852	93.9740
Irish Punt	12¾	N/A	0.712994

*CS/SDR rate for March 12: 1.32649

EXCHANGE CROSS RATES

Mar. 13	Pound St'rling	U.S. Dollar	Deutschem'k	J'panese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.086	3.645	282.5	11.13	3.098	4.120	2284.	1.509	73.15
U.S. Dollar	0.921	1.	3.358	260.2	10.25	2.849	3.794	2104.	1.390	67.35
Deutschemark	0.274	0.298	1.	77.50	3.052	0.850	1.130	626.5	0.414	20.07
Japanese Yen 1,000	3.540	3.844	12.90	1000.	39.38	10.95	14.58	8084	5.342	258.9
French Franc 10	0.898	0.976	3.276	253.9	10.	2.784	3.703	2053.	1.356	65.75
Swiss Franc	0.323	0.351	1.177	91.20	3.592	1.	1.330	737.3	0.487	23.62
Dutch Guilder	0.243	0.264	0.885	68.57	2.700	0.752	1.	554.3	0.366	17.75
Italian Lira 1,000	0.438	0.476	1.596	123.7	4.871	1.356	1.804	1000.	0.661	32.03
Canadian Dollar	0.663	0.720	2.416	187.2	7.372	2.053	2.730	1513.	1.	48.46
Belgian Franc 100	1.367	1.485	4.983	386.1	15.21	4.234	5.632	3122.	2.065	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Mar. 13	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short term	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 day's notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Asian $ (closing rates in Singapore): Short-term 8⅝-8½ per cent; seven days 8¾-8⅝ per cent; one month 8¾-8⅝ per cent; three months 9⅛-9 per cent; six months 9 11/16-9 9/16 per cent; one year 10¼-10⅛ per cent. Long-term Eurodollars: two years 11⅛-11⅛ per cent; three years 11⅞-12⅛ per cent; four years 12⅛-12⅜ per cent; five years 12¼-12½ per cent nominal. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

FINANCIAL FUTURES

Prices fall

Prices were marked down in the London International Financial Futures Exchange yesterday with the market showing little clear trend. The June Euro-dollar contract opened at 89.56 and eased to 89.52. However there was some good buying initially and the price recovered to 89.56. At this point there seemed to be little more to influence the market although there was still a slightly predominating bearish trend.

Cash rates were firmer after news of a 1.4 per cent rise in U.S. retail sales however, some way above most expectations and contracts were sold off to touch a low of 89.29 before recovering on a little short covering to 89.34.

Short sterling contracts opened at the day's highs and tended to watch the performance of sterling very closely. Values weakened but then recovered as sterling touched its best level during the afternoon. However a late decline in the pound saw values finished around the middle of the day's range but still down from Tuesday.

Gilt prices were more influenced by the performance of U.S. bonds and U.S. retail sales figures. Despite the level of uncertainty there was still resistance to pushing the June contract below 104 and there appeared to be little prospect of any clear trend developing before next week's UK budget.

LONDON

THREE-MONTH EURODOLLAR
$1m points of 100%

	Close	High	Low	Prev
March	89.34	89.57	89.29	89.47
June	88.78	89.01	88.76	88.93
Sept	88.43	88.66	88.40	88.58
Dec	88.16	88.30	88.16	88.30
March	87.93	88.07	87.93	88.09

Estimated volume 7,206 (9,653)
Previous day's open int 13,491 (15,181)

THREE-MONTH STERLING
£500,000 points of 100%

	Close	High	Low	Prev
March	88.42	—	—	86.69
June	88.13	88.34	87.95	88.31
Sept	88.70	88.75	88.58	88.80
Dec	88.63	88.74	88.61	88.73
March	—	—	—	88.48

Estimated volume 3,315 (3,218)
Previous day's open int 6,636 (6,962)

20-YEAR 12% NOTIONAL GILT
£50,000 32nds of 100%

	Close	High	Low	Prev
March	103-27	104-10	103-24	104-07
June	104-13	105-05	104-04	104-28
Sept	107-29	—	—	108-03
Dec	108-00	—	—	107-13
March	107-20	—		107-05

Estimated volume 4,040 (4,863)
Previous day's open int 4,792 (4,543)
Basis quote (clean cash price of 13¼% Treasury 2003 less equivalent price of near futures contract) −8 to par (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
March	1.0720	1.0770	1.0700	1.0790
June	1.0685	1.0755	1.0685	1.0766

Estimated volume 34 (275)
Previous day's open int 1,699 (2,224)

DEUTSCHE MARKS
DM 125,000 $ per DM

	Close	High	Low	Prev
March	0.3002	0.3009	0.3001	0.3017
June	0.3030	—	—	0.3045

Estimated volume 22 (116)
Previous day's open int 226 (253)

SWISS FRANCS
SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
March	0.3539	0.3539	0.3532	0.3554

Estimated volume 8 (nil)
Previous day's open int 137 (137)

JAPANESE YEN
Y12.5m $ per Y100

	Close	High	Low	Prev
March	0.3870	—	—	0.3874

Estimated volume nil (nil)
Previous day's open int 202 (204)

FT-SE 100 INDEX
£25 per full index point

	Close	High	Low	Prev
March	69-10	69-28	69-04	69-14
June	68-11	69-04	68-06	68-17

Estimated volume 2,236 (1,253)
Previous day's open int 2,626 (2,733)

U.S. TREASURY BONDS
8% $100,000 32nds of 100%

	Close	High	Low	Prev
March	129.40	130.00	129.10	129.35
June	129.90	130.20	129.60	129.85
Sept	130.25	—	—	130.20

Estimated volume 282 (422)
Previous day's open int 1,501 (1,582)

CHICAGO

U.S. TREASURY BONDS (CBT) 8%
$100,000 32nds of 100%

	Latest	High	Low	Prev
March	69-09	69-11	69-05	69-24
June	68-10	68-12	68-05	68-24
Sept	67-17	67-18	67-12	67-31
Dec	66-29	66-31	66-25	67-10
March	—	—	—	66-24
June	65-25	65-28	65-25	66-09
Sept	—	—	—	65-29
Dec	—	—	—	65-19
March	—	—	—	65-10
June	—	—	—	65-02

U.S. TREASURY BILLS (IMM) $1m
points of 100%

	Latest	High	Low	Prev
March	91.37	91.52	91.34	91.49
June	90.65	90.86	90.60	90.81
Sept	90.19	90.37	90.16	90.33
Dec	89.88	90.05	89.86	90.02
March	89.63	89.68	89.63	89.78
June	89.44	89.52	89.39	89.62
Sept	89.37	89.37	89.29	89.46
Dec	89.17	—	89.17	89.32

CERT. DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
March	90.93	90.96	90.91	91.00
June	89.71	89.91	89.66	89.89
Sept	89.13	89.23	89.11	89.33
Dec	88.78	88.81	88.75	88.93

THREE-MONTH EURODOLLAR (IMM)
$1m points of 100%

	Latest	High	Low	Prev
March	90.51	90.63	90.49	90.61
June	89.32	89.55	89.28	89.51
Sept	88.76	88.84	88.73	88.94
Dec	88.39	88.47	88.37	88.56
March	88.11	88.17	88.10	88.28
June	87.91	87.95	87.87	88.06
Sept	87.70	87.74	87.67	87.86

STERLING (IMM) $e per £

	Latest	High	Low	Prev
March	1.0800	1.0875	1.0785	1.0860
June	1.0690	1.0770	1.0690	1.0760
Sept	1.0675	1.0740	1.0675	1.0750
Dec	1.0660	1.0720	1.0660	1.0730
March	—	—	—	1.0735

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	69-21	69-22	69-20	69-29
June	68-25	68-25	68-22	69-01
Sept	—	—	—	68-08
Dec	—	—	—	67-20
March	—	—	—	—
June	66-05	66-06	66-05	66-15
Sept	—	—	—	66-00

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MONEY MARKETS

UK rates up on fading base rate hopes

Interest rates rose in London yesterday as the prospect of an early reduction in clearing bank base rates faded. Tuesday's banking figures were generally disappointing and together with a rise in Euro-dollar rates, following a higher than expected U.S. retail sales figure, and uncertainty surrounding the proposed abolition of BNOC, sentiment took a turn for the worse. Consequently three-month interbank money rose to 13 15/16 per cent from 13 13/16 per cent while three-month eligible bills were bid at 13⅜ per cent, unchanged from Tuesday.

Overnight money remained expensive for much of the day with most of the day's credit shortage lying in the interbank market. Overnight money opened at 14½-15 per cent and touched a high of 16 per cent before coming back to 14 per cent.

The Bank of England forecast a shortage of around £800m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £318m and the unwinding of previous sale and repurchase agreements a further £426m. There was also a rise in the note circulation of £65m and banks brought forward balances £75m below target. These were partly offset by Exchequer transactions which added £80m.

To help alleviate the shortage the Bank offered an early round of assistance totalling £68m and comprising purchases of £25m eligible bank bills in band 1 (up to 14 days) at 13⅜ per cent and £43m in band 2 (15-33 days) at 13⅜ per cent. Further help this morning came to £210m and comprised purchases of £9m of eligible bank bills in band 1 at 13⅜ per cent, £85m in band 2 at 13⅜ per cent, and £12m in band 3 (34-63 days) at 13⅜ per cent. It also arranged sale andre purchase agreements on £104m of bills at 13⅞ per cent, unwinding in equal amounts on April 10 and April 11.

In the afternoon the Bank gave help of £355m through purchases of £10m of eligible bank bills in band 1 at 13⅜ per cent and £310m in band 2 at 13⅜ per cent. It also aranged sale and repurchase agreements on £35m of bills at 13⅞ per cent, unwinding in equal amounts on April 10 and 11. Late assistance came to £115m, making a total of £748m.

UK clearing banks base lending rate 14 per cent since January 28

MONEY RATES

March 13	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.95-6.05	10⅝	2⅛-2⅜	7-7⅛	6.34375	15¾-16⅛	9.20	14⅜-14⅝
One month	6.20-6.35	10 11/16-10 13/16	5⅛-5⅜	7¼-7⅜	5.53125	15⅝-16	10⅝-10⅞	14⅛-14⅜
Two months	6.25-6.40	10¾-10⅞	—	—	—	—	—	14½-14¾
Three months	6.35-6.50	10¾-10⅞	5 11/16-5 13/16	7⅜-7½	6.34375	16-16⅜	10¾-11	14½-14¾
Six months	6.55-6.70	10¾-10⅞	—	7½-7⅝	—	—	10⅞-11⅛	14⅜-14½
Lombard	6.0	—	—	—	—	—	—	—
Intervention	—	10½	—	6⅞	—	—	—	—

LONDON MONEY RATES — Discount Houses Deposit and Bill Rates

Mar. 13 1985	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	14-16	15-15¼	14½-15½	13-14¼	—	—	—	—	—
2 days notice	—	—	14½-14⅝	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	14⅜-15	14½-14⅝	14¾-15	13½-14¼	—	—	—	—	—
One month	14⅜-13 15/16	14⅞-14½	14¼	14⅜-14⅝	13⅞	13⅜	13⅝	13¾-13 11/16	13⅞	14 1/16
Two months	14 1/16-13⅞	13⅝-14 1/16	14⅛	14	13	13⅜	13⅛	13⅜-13 11/16	13½-13 7/16	14 1/16
Three months	13¾-13⅝	13⅝-14	13¼	13⅞	12½	13⅛	12⅞	13⅛	13⅝	14⅛
Six months	12⅞-12 11/16	12½-13⅛	12⅝	—	—	—	—	12¼	12	12⅞
Nine months	12⅝-12⅜	12⅜-12⅝	—	—	—	—	—	—	—	—
One year	12 9/16-12 7/16	12½-12¾	12 1/16	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	15-14⅝	—	14⅝	8.6-8.7	8½-8¾	10 1/16-10⅜
Two months	14½-14⅛	—	14⅛	8.75-8.85	8 11/16-8 13/16	10¼-10 7/16
Three months	14⅜-14	—	13⅞	8.95-9.05	8 13/16-9 1/16	10¼-10 7/16
Six months	13½-13⅛	—	13	9.55-9.65	9⅛-9⅜	10 5/16-10⅜
Nine months	13⅛-12¾	—	12¾	10.1-10.2	—	—
One year	13-12⅝	—	12⅝	10.4-10.5	9½-9¾	10 1/16-10⅛
Two years	—	11⅞	—	—	—	—
Three years	—	11⅞	—	—	—	—
Four years	—	11⅜	—	—	—	—
Five years	—	11¾	—	—	—	—

ECGO Fixed Rate Export Finance IV. Average Rate of Interest period February 6 to March 5 1985 (inclusive): 13.883 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 12½ per cent from March 1 1985. London and Scottish Clearing Bank Rates for lending 14 per cent. London Deposit Rates for sums at seven days' notice 11-11½ per cent. Treasury Bills: Average tender rates of discount 13.3718 per cent. Certificates of Tax Deposit (Series 6): Deposits £100,000 and over held under one month 14 per cent; one-three months 13⅜ per cent; three-six months 13¼ per cent; six-nine months 12¾ per cent; nine-12 months 12½ per cent. Under £100,000 12 per cent from March 12. Deposits held under Series 5 12½ per cent. The rate for all deposits withdrawn for cash 8 per cent.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	10½
Broker loan rate	9½
Fed funds	9
Fed funds at intervention	8 15/16

Treasury Bills

One month	8.15
Two month	8.35
Three month	8.64
Six month	8.98
One year	9.11

Treasury Bonds

Two year	99 21/32
Three year	99⅛
Four year	97 1/32
Five year	99 3/32
Seven year	98 25/32
10 year	96 11/32
30 year	95 3/32

FT LONDON INTERBANK FIXING

(11.00 a.m. March 13)

3 months U.S. dollars	
bid 9 5/16	offer 9 6/16
6 months U.S. dollars	
bid 9 15/16	offer 9 16/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

INTERNATIONAL CAPITAL MARKETS

Libid barrier broken by Norwegian bank

BY MAGGIE URRY IN LONDON

IS THE Eurdollar floating rate note market ready for coupons set below London inter-bank bid rate (Libid)? That was the question facing bankers yesterday when Den norske Creditbank launched a $150m six-year floater to pay interest at 1/16 per cent less than Libid.

Margins have been getting steadily finer on FRNs but this issue, led by Salomon Brothers with Nordic Bank as co-lead, is the first with a sub-Libid pricing. It uses the mismatch formula, paying semi-annually, refixing monthly. Investors who borrow at the one month offered rate (Libor) to fund their assets, would still pick up 13/16 point gross between one month Libor and six-month Libid less 1/16 point at yesterday's rates. From that must be deducted the compounding cost of monthly borrowing, around 20 basis points a year with Libor at current levels.

The pricing was taking time to sink in with bankers yesterday, and the issue was trading slowly just inside the 28 basis point total fees.

Citicorp was finding a quicker response for a $100m floating rate issue for Finland. This borrower – a rare name in this market – followed other recent sovereign and supranationals to opt for a pricing over U.S. Treasury bill rate rather than the banking benchmark.

This five-year deal will pay interest six-monthly at 60 basis points above six-month T-bill rate, converted to the money market equivalent. The coupon will be refixed monthly. At the time Citicorp was pricing the issue, the formula would have given a coupon of 9.82 per cent, close to the then Libor rate. Demand was seen from Libor-based investors.

Although slipping a little late in the day, the bonds were still trading around 99.70, comfortably inside the 50 basis point total commissions.

The speedy success of Goldman Sachs' $100m convertible issue for St Paul Companies allowed an early fixing of the terms. The coupon is 7½ per cent as indicated, and the conversion premium was set at the bottom end of the range at 20.1 per cent – the conversion price is $67¼. The issue was trading around 99¾, well inside the 1½ per cent selling concession.

A weaker New York market hit fixed rate Eurodollar bonds, which fell by ¼ to ⅜ point yesterday.

Late in the day Morgan Guaranty launched a £30m Eurosterling issue for Sterling Drug, of the U.S. With U.S. corporate names popular among the retail investors who are dominant in the market, the cost to the borrower was set at around 70 basis points below gilt-edged stocks. The five-year bonds have a 10⅞ per cent coupon and par issue price. Morgan Grenfell is co-lead.

Swiss franc bonds were firmer where changed yesterday, with the new issue for National Australia Bank up one point to 101¼. Wang's SwFr 200m convertible issue slid 3¾ points to 93½, hit by a sharp fall in the shares.

The lower New York bond market affected the D-Mark sector yesterday afternoon, with prices softer by up to ½ point.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for March 13.

U.S. DOLLAR STRAIGHTS

DEUTSCHE MARK STRAIGHTS

SWISS FRANC STRAIGHTS

YEN STRAIGHTS

OTHER STRAIGHTS

FLOATING RATE NOTES

CONVERTIBLE BONDS

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